INSTRUCTIONS FOR THE TREASURY INTERNATIONAL CAPITAL (TIC) FORM B REPORTS

Reports by Financial Institutions of Liabilities to, and Claims on, Foreign Residents by U.S. Residents

TIC B REPORTS

BC		**Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents**
BL-1		**Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents**
BL-2		**Report of Customers' U.S. Dollar Liabilities to Foreign Residents**
BQ-1		**Report of Customers' U.S. Dollar Claims on Foreign Residents**
BQ-2	**Part 1**	**Report of Foreign Currency Liabilities and Claims of Financial Institutions and of their Domestic Customers' Foreign Currency Claims with Foreign Residents**
	Part 2	**Report of Customers' Foreign Currency Liabilities to Foreign Residents**
BQ-3		**Report of Maturities of Selected Liabilities and Claims of Financial Institutions with Foreign Residents**

Department of the Treasury
Federal Reserve Bank System
Board of Governors of the Federal Reserve System

Revised September 2013. See summary on page vi.
These instructions apply only to reports with as-of-dates on or after December 31, 2013.

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REVISIONS, Summary of:

-- May 2013. These instructions apply only to reports with as-of dates on or after December 31, 2013.

As a consequence of the recent global financial crisis, international reporting standards for collecting and reporting economic and financial data were enhanced. TIC B forms are consequently revised to reflect the new standards.

The following changes apply to all TIC B forms:

(a) The "who must report" section of the instructions is revised. Beginning with the reports as of December 31, 2013, the organizations required to file the TIC B forms will include all types of U.S.- resident financial institutions (including, but not limited to banks, other depository institutions, brokers/dealers, bank/financial holding companies, investment banks, insurance companies, credit card issuers, money market funds, pension funds, private equity funds, hedge funds, trusts, finance companies, mortgage companies, commodity brokers and dealers, investment advisors and managers, loan brokers). More specifically, all financial institutions that previously filed TIC C forms (form CQ-1 and form CQ-2) will file TIC B forms beginning with the reports as of December 31, 2013. Those financial institutions changing from filing the TIC C forms to filing the TIC B forms will not be required to file the TIC C forms after the reports as of September 30, 2013.

(b) The instructions for these forms have been updated to add guidance for reporting on the new "of which" rows described in (g) through (l) below and the new section and columns described in (l).

(c) The General Instructions have been reorganized and contain new guidance on reporting accrued interest and insurance/reinsurance business, and on where to report.

(d) Several sections of the instructions, including the glossary, incorporate changes to clarify the reporting requirements, such as the consolidation/ combination rules, valuation rules, and reporting the location of foreign counterparties.

(e) Except for the TIC BQ-3, the list of countries for reporting the location of foreign counterparties will be increased by six. This is the result of deleting Netherlands Antilles (3720-6), removing "Montenegro" from "Serbia and Montenegro (1321-8)," and adding Kosovo (1347-1), Montenegro (1362-5), Bonaire, Sint Eustatius and Saba (3616-1), Curaçao (3618-8), St. Martin and St. Barthelemy (3647-1), Sint Maarten (3619-6), and South Sudan (5339-2).

(f) Changes to Form BC: 1. As a result of the action in (a) above, the title of Form BC is changed to "Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents." 2. In the "of which" items at the end of the form, a new row has been added to collect "Claims on Foreign-Resident Non-Bank Financial Institutions." Data are reportable in columns 4, 5, 6, 8 and 9. 3. In the "of which" items at the end of the form, a new row has been added to collect "Unpaid Insurance Claims." Data are reportable in columns 3, 5, 6 and 8.

(g) Changes to Form BL-1: 1. As a result of the action in (a) above, the title of Form BL-1 is changed to "Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents." 2. In the "of which" items at the end of the form, a new row has been added to collect "Liabilities to Foreign-Resident Non-Bank Financial Institutions." Data are reportable in columns 5 through 9. 3. In the "of which" items at the end of the form, a new row has been added to collect "Unpaid Insurance Claims and Prepaid Insurance Premiums." Data are reportable in columns 2, 4, 6, 7 and 8.

(h) Changes to Form BL-2: 1. As a result of the action in (a) above, the title of Form BL-2 is changed to "Report of Customers' U.S. Dollar Liabilities to Foreign Residents." 2. In the memorandum section at the end of the current form, the eight rows are changed to eight "of which" rows that have the same eleven columns as do the other rows in the form. The first, fourth and fifth "Of Which" rows (8102-7, 8144-2, 8146-9) are unchanged and data are reportable in column 10. In the second "of which" item for "Loans to U.S. Banks" (8141-8), data are reportable in columns 3, 6, 9 and 10. This item previously collected data for only the "Grand Total" column (Column 10). 3. In the "of which" item for "Short-Term Negotiable Securities Issued by Banks" (8142-6), data are reportable in columns 2, 5, 8 and 10. This item previously collected data for only the "Grand Total" column (Column 10). 4. The sixth row of the "of which" items, that was previously labeled "Liabilities of Other U.S. Debtor Sectors," is now labeled "Liabilities of U.S.-Resident Non-Bank Financial Institutions (NBFIs)" and a new code has been added in the code column. Data are reportable only in column 10. Previously, there was no data collected on this row. 5. The seventh row (8150-3), which was previously labeled "Other short-term negotiable securities" is now labeled "Short-Term Negotiable Securities Issued by U.S. NBFIs." Data are reportable only in columns 2, 5, 8 and 10. This item previously collected data for only the "Grand Total" column (Column 10). 6. The eighth row (8155-8), which was previously labeled "Loans to Others," is now labeled "Loans to U.S. NBFIs." Data are reportable only in columns 3, 6, 9 and 10. This item previously collected data for only the "Grand Total" column (Column 10).

(i) Changes to Form BQ-1: 1. As a result of the action in (a) above, the title of Form BQ-1 is changed to "Report of Customers' U.S. Dollar Claims on Foreign Residents." 2. In the "of which" items at the end of the form, a new row has been added to collect "Claims of U.S.-Resident Non-Bank Financial Institutions." Data are reportable in columns 1, 2, 3, 4 and 5.

(j) Changes to Form BQ-2: 1. As a result of the action in (a) above, the title caption of Form BQ-2, Part I, is changed to "Report of Foreign Currency Liabilities and Claims of U.S. Financial Institutions, and of their Domestic Customers' Foreign Currency Claims with Foreign Residents" and the title caption of Part II is changed to "Report of Customers' Foreign Currency Liabilities to Foreign Residents." 2. In the "of which" items at the end of the form, a new row has been added to collect claims and liabilities denominated in Swiss francs. Data are reportable in columns 1 through 6. 3. In the "of which" items at the end of the form, a new row has been added to collect "Unpaid Insurance Claims and Prepaid Insurance Premiums." Data are reportable in columns 2 and 4. 4. In the "of which" items at the end of the form, a new row has been added to collect "Liabilities to and Claims on Foreign-Resident Banks." Data are reportable in columns 1 through 7. 5. In the "of which" items at the end of the form, a new row has been added to collect "Liabilities to and Claims on Foreign-Resident Non-Bank Financial Institutions." Data are reportable in columns 1 through 7.

(k) Changes to Form BQ-3: 1. The name of the form is changed to "Report of Maturities of Selected Liabilities and Claims of Financial Institutions with Foreign Residents". This and the following revisions of the form respond to the changes in (a) above and to international reporting standards calling for reporting of maturities of claims and liabilities. 2. The title "Part 1: Liabilities to Foreign Residents – Remaining Maturities" is added at the top of page 2 to describe the existing one-half page table that collects information on liabilities. 3. A new section is added on page 2 of the form entitled "Part 2: Claims on Foreign Residents - Remaining Maturities" that collects information on claims. The new section has three rows labeled: "Demand Deposits, Arrears, Resale Agreements under Continuing Contract, and Items With No Fixed Maturity;" "Maturing in 1 Year or Less;" and "Maturing In Over 1 Year." The new section

has four columns for data entry with the following titles: column 1 is "Non-Negotiable Deposits & Brokerage Balances [reported on BC (col. 1) & BQ-2, Part 1 (col. 3)];" column 2 is "Resale Agreements & Other Claims [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)];" column 3 is "Loan Claims Excluding Resale Agreements [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)];" and column 4 is "Grand Total [sum of columns 1-3]."

I. General Instructions

A. Organization of the Instruction Book

This instruction book covers the Treasury International Capital (TIC) "B" report forms (Forms BC, BL-1, BL-2, BQ-1, BQ-2, and BQ-3). It is divided into the following sections:

- Section I (General Instructions) - The general instructions describe the purpose of the TIC B forms and a variety of administrative issues, including the authority under which the data are collected and confidentiality conditions. The general instructions also describe the treatment of issues common to all of the TIC B forms, including exemption levels, who should report, accounting issues, and the determination of the location of the foreign resident. Finally, information on the submission of reports is provided.
- Sections II-VII (Specific Form Instructions) - These sections explain the specific reporting requirements for each TIC B form. The specific instructions include the kinds of information that should be reported and instructions relating to the columns and memorandum rows for each form. To avoid excessive repetition, the instructions and definitions build upon the information in the general instructions, the glossary, and the appendices.
- Section VIII (Glossary) - The glossary presents definitions, discussions of accounting issues, and other topics that require more extensive treatment than is practical to include in the body of the instructions.
- Section IX (Appendices) – Provides the following appendices:
    - Flowcharts that show reporting requirements graphically.
    - Geographical Classification List: Country and organizational codes for reporting on the TIC forms.
    - Foreign Official Institutions List: Certain foreign institutions classified as "official" for reporting on the TIC forms.

The forms and a copy of these instructions are available on the Internet at the U.S. Treasury's website http://www.treasury.gov/resource-center/data-chart-center/tic/pages/forms-b.aspx.

B. Introduction

1. Purpose and Notice Under Paperwork Reduction Act

The purpose of the Treasury International Capital B forms is to gather timely and reliable information on the levels of, and changes in, U.S. international portfolio capital positions. This information is needed for the preparation of the U.S. Balance of Payments Accounts and the U.S. International Investment Position, as well as for the formulation of U.S. international financial and monetary policies. The data are also needed to enable the United States to comply with standards for providing data on cross-border financial positions, including adherence to the International Monetary Fund's Special Data Dissemination Standard. Aggregate data are published in the *Treasury Bulletin* and the *Federal Reserve Bulletin* and are available on the Treasury website at http://www.treasury.gov/resource-center/data-chart-

center/tic/pages/index.aspx. Some aggregate data are also provided to the Bank for International Settlements for its use in compiling widely-used international statistics.

2. Organization of the TIC B Forms

The TIC B forms, the data collected, and frequency of each form are as follows:

TIC B Forms: Data Collected and Frequency		
Form	**Data Collected From U.S. Resident Financial Institutions**	**Frequency**
BC	Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents	Monthly
BL-1	Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents	Monthly
BL-2	Report of Customers' U.S. Dollar Liabilities to Foreign Residents	Monthly
BQ-1	Report of Customers' U.S. Dollar Claims on Foreign Residents	Quarterly
BQ-2	Part 1: Report of Foreign Currency Liabilities and Claims of Financial Institutions And of their Domestic Customers' Foreign Currency Claims with Foreign Residents Part 2: Report of Customers' Foreign Currency Liabilities to Foreign Residents	Quarterly
BQ-3	Report of Maturities of Selected Liabilities and Claims of Financial Institutions with Foreign Residents	Quarterly

These forms have been reviewed and approved by OMB under the following OMB control numbers: BC/ 1505-0017; BL-1/ 1505-0019; BL-2/ 1505-0018; BQ-1, 1505-0016; BQ-2, 1505-0020 and BQ-3, 1505-0189.

The Treasury Department has estimated the average burden associated with the collection of information on each B form per respondent, but these will vary widely across reporting institutions: (a) BC/BC (SA): an overall average burden of 9.33 hours, based on 17 hours for each major respondent and 8.5 hours for each other respondent. (b) BL-1: an overall average burden of 6.5 hours, based on 12 hours for each major respondent and 6 hours for each other respondent. (c) BL-2: an overall average of seven and one-half hours, based on eleven hours for each major respondent and five and one-half hours for each other respondent. (d) BQ-1: an overall average of two and one-fifth hours, based on four hours for each major respondent and two hours for each other respondent. (e) BQ-2: an overall average of 6.25 hours, based on 10 hours for each major respondent and *5* for each other respondent. (f) BQ-3: an overall average of 4 hours per respondent. These estimates include the time it will take to read the instructions, gather the necessary facts, and fill out the forms. Comments concerning the accuracy of these burden estimates and suggestions for reducing reporting burden should be directed to the IA Office of Program Services, U.S. Treasury Department, Washington, D.C. 20220,

Attention: International Portfolio Investment Data Systems; or the Office of Management and Budget, Paperwork Reduction Project, Washington, D.C. 20503. (Please reference the appropriate OMB control number as listed at the end of previous paragraph.)

3. Authority and Penalties

These reports are required by law (22 U.S.C. 286f; 22 U.S.C. 3103; E.O.10033; E.O. 11961; 31 C.F.R. 128.1(a)). Failure to report can result in a civil penalty of not less than $2,500 and not more than $25,000. Willful failure to report can result in criminal prosecution and upon conviction a fine of not more than $10,000; and if an individual, imprisonment for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violation may, upon conviction, be punished by a like fine, imprisonment, or both (22 U.S.C. 3105 (a), (b) and (c); 31 C.F.R. 128.4 (a) and (b)).

4. Confidentiality

Data reported on these forms will be held in confidence by the Department of the Treasury, the Board of Governors of the Federal Reserve System, and the Federal Reserve Banks acting as fiscal agent of the Treasury. The data reported by individual respondents will not be published or otherwise publicly disclosed; information may be given to other Federal agencies, insofar as authorized by applicable law (44 U.S.C. 3501 et seq.; 22 U.S.C. 3101 et seq.). Aggregate data derived from reports on these forms may be published or otherwise disclosed only in a manner that will not specifically identify any individual respondent.

5. Other Statistical Reports

- The TIC C forms are filed by all U.S. entities other than financial institutions. On the TIC C forms, these entities report positions with unaffiliated foreign-resident entities that are either short-term securities or non-securities.
- The TIC D form is filed by all major U.S.-resident participants in derivatives markets. This form is designed to obtain data on holdings of, and transactions in, financial derivative contracts with foreign residents. Data are collected in aggregate form to facilitate timely reporting.
- The TIC SLT form is filed by all U.S.-resident custodians, issuers and end-investors. On the TIC SLT form, these entities report aggregate consolidated holdings of long-term U.S. securities for the accounts of foreign residents, foreign securities for the accounts of U.S. residents (their own account or their customers) and all securities issuances by the U.S.-resident units of their entity to foreign residents that are not held by a U.S. resident custodian.
- The TIC S form is filed by all entities that purchase (or sell) long-term securities directly from (or to) foreign residents. This form is designed to obtain data on foreign residents' purchases and sales of all long-term securities (including equities and shares of mutual funds). Data are collected in aggregate form to facilitate timely reporting.

- To improve the accuracy of the TIC system and collect information on positions in securities, detailed security-by-security data are collected on a less frequent basis. Two data collection systems are used:
    - Foreign Holdings of U.S. Securities, Including Selected Money Market Instruments (Form SHL) - Approximately every five years, all significant U.S. resident custodians of short-term debt, long-term debt, and equity securities are required to provide detailed security-by-security information on foreign holdings of U.S. securities. Also required to report are significant U.S. issuers of bearer bonds and U.S. issuers of securities that are held by foreign residents but not through U.S. custodians. In the years between these benchmark surveys, the largest of these reporters are required to submit this security-by-security information annually (Form SHLA).
    - U.S. Ownership of Foreign Securities, Including Selected Money Market Instruments (Form SHC) - Approximately every five years, all significant U.S. resident custodians of foreign securities and U.S.-resident end investors holding securities without using U.S.-resident custodians are required to report detailed security-by-security information on their holdings of foreign securities. In the years between these benchmark surveys, the largest of these reporters are required to submit this security-by-security information annually (Form SHCA).
- The Treasury Foreign Currency (TFC) forms are designed to obtain data on the assets, liabilities, and forward positions of large U.S.-resident institutions (both banking and non-banking) in specified foreign currencies.
- Direct Investment - Data on cross-border Direct Investment are collected by the Bureau of Economic Analysis, U.S. Department of Commerce. The data collections are designed to obtain comprehensive data on the transactions and positions between affiliated U.S. and foreign companies ("multinational companies"), and on the overall operations of multinational companies. To be affiliated, a U.S. company must own or control 10 percent or more of the voting securities of an incorporated foreign business (or an equivalent interest in an unincorporated foreign business), or a foreign company must own or control 10 percent or more of the voting securities of an incorporated U.S. business (or an equivalent interest in an unincorporated U.S. business).

C. Who Must Report

The following types of entities located in the United States must file TIC B reports if reportable claims, liabilities, or customer claims/liabilities meet or exceed the specified exemption levels shown below:

- Banks, refer to depository institutions located in the United States that include the following:
    - Commercial banks
    - United States branches and agencies of foreign banks
    - Trust companies that conduct commercial banking business

- Industrial banks, private or unincorporated banks
- Banking Edge Act and Agreement corporations
- New York State Article XII corporations
- Mutual or stock savings banks, building or savings and loan associations, cooperative banks, credit unions, homestead associations, and other similar depository institutions
- Non-deposit and limited purpose trust companies
- Non-bank banks
- The Federal Reserve Bank of New York

- Bank Holding Companies (BHCs), Financial Holding Companies (FHCs), and Savings and Loan Holding Companies (SLHCs)
- Securities brokers and dealers, regardless of their affiliations with other entities. (See glossary for definition.)
- All other financial institutions including institutions that are primarily engaged in proprietary investments and/or the provision of financial services to other organizations and households. These services include but are not limited to, financial intermediation services whose functions are predominantly: the extending of credit for business purposes; underwriting services; financial management services; credit origination services; credit card services; and pension services.

  "All other financial institutions" include, but are not limited to:

  - Mutual funds
  - Money market funds
  - Pension funds (should only report debt positions with unaffiliated foreign residents)
  - Investment banks
  - Private equity funds
  - Real estate investment trust (REITS)
  - Credit card issuers
  - Hedge funds
  - Trusts
  - Finance companies
  - Mortgage companies
  - Factors and other financial intermediaries who extend short-term business credit to finance inventories or carry accounts receivable
  - Futures commission merchants

- Insurance companies (should only report debt positions with unaffiliated foreign residents)

1. Insurance/Reinsurance Business

Insurance and reinsurance companies should report unearned premiums and unpaid claims (including claims incurred but not yet reported) with unaffiliated foreign residents as follows:

Reporting should be by the company that deals directly with the foreign counterparty. Thus, if a U.S. insurance broker or other intermediary is responsible for obtaining/placing the contract with the foreign counterparty, the reporting should be by the U.S. intermediary, not the underwriter/reinsurer.

2. Consolidation/Combination Rules

U.S.-resident banks (Section C) including those owned by a bank holding company (BHC), financial holding company (FHC), or savings and loan holding company (SLHC) should consolidate all of their United States resident branches and subsidiaries (financial and non-financial) including their International Banking Facilities (IBFs), except for their owned or controlled Banks, insurance underwriting subsidiaries, pension funds, and securities brokers and dealers. (Positions of Bank subsidiaries, insurance underwriting subsidiaries, pension funds, and security brokers and dealers are reported on separate TIC "B" forms.)

U.S. bank holding companies (BHCs), U.S. financial holding companies (FHCs), and U.S. saving and loan holding companies (SLHCs) should consolidate all of their U.S.-resident subsidiaries (financial and non-financial) except for their owned or controlled Banks, securities brokers and dealers, pension funds, and insurance underwriting subsidiaries. (Positions of Bank subsidiaries, insurance underwriting subsidiaries, pension funds, and security brokers and dealers are reported on separate TIC "B" forms.)

Securities brokers and dealers, including those securities brokers and dealers owned by a BHC, FHC, or Bank, should consolidate all of their U.S.-resident subsidiaries (financial and non-financial) except for their owned or controlled pension funds and insurance underwriting subsidiaries. (Positions of insurance underwriting subsidiaries and pension funds are reported on separate TIC "B" forms.)

Insurance companies, including insurance underwriting subsidiaries owned by a BHC, FHC, Bank, securities broker and dealer, or any other financial institution should prepare consolidated B reports for their insurance underwriting subsidiaries in the United States. Insurance companies should only report debt with unaffiliated foreign entities. Financial companies that are subsidiaries of insurance companies but are not insurance underwriting subsidiaries should prepare their own consolidated B-reports.

Pension funds, including pension funds owned by a BHC, FHC, Bank, securities broker and dealer, or any other financial institution should prepare consolidated B reports for their pension fund subsidiaries in the United States. Pension funds should only report debt with unaffiliated foreign entities. Financial companies that are

subsidiaries of pension funds but are not pension funds should prepare their own consolidated B-reports.

Banking Edge Act and Agreement corporations should report for all of their branches and subsidiary companies (financial and non-financial) including their International Banking Facilities (IBFs), excluding the parent organization. For further information, see the consolidation rules in the General Instructions of the FR 2886b, the Quarterly Consolidated Report of Condition and Income for Edge and Agreement Corporations (available at http://www.federalreserve.gov/apps/reportforms/default.aspx).

United States branches and agencies of a foreign bank located in the same state and within the same Federal Reserve District should submit a consolidated report for these offices, including their International Banking Facilities (IBFs), to the Federal Reserve Bank in whose District they operate. U.S branches and agencies of a foreign bank that are located in either different states or different Federal Reserve Districts, should submit separate reports to the Federal Reserve Bank(s) in whose District they operate.

"All Other Financial Institutions" should prepare consolidated B reports for themselves and their U.S. resident subsidiaries (financial and non-financial) except for their owned or controlled securities brokers and dealers, insurance underwriting subsidiaries, and pension funds. (Positions of security brokers and dealers, insurance underwriting subsidiaries, and pension funds are reported on separate TIC "B" forms.)

All U.S. resident companies that are owned 50 percent or more of the voting securities, or an equivalent interest (control) should be consolidated.

Trusts and Variable Interest Entities (VIEs) for which the reporter is the trustee or primary beneficiary should be included as governed by ASC – 810.

3. Forms Used to Report Cross Border Positions

Reporters sometimes have difficulty deciding what types of organizations and what part of an organization should file the different types of Treasury International Capital (TIC) reports. The types of reporters and the corresponding TIC reports that should be filed are summarized in the table below.

TIC Reporting for Various Reporter Types		
Type of Reporter	**TIC B Reports**	**TIC C Reports**
Banks and other depository institutions located in the U.S. (including limited purpose banks that are subsidiaries of BHCs, FHCs and any other company).	X	
Securities brokers and dealers (including those that are subsidiaries of BHCs, FHCs and any other company).	X	
U.S.-resident BHCs, FHCs, and SLHCs for themselves and for all U.S.-resident subsidiaries (financial and non-financial) other than Banks, securities brokers and dealers, insurance underwriting companies, and pension funds.	X	
Banks, BHCs, FHCs, SLHCs, and all other financial institutions for their U.S. – resident insurance underwriting companies; report only debt positions with unaffiliated foreign residents	X	
Insurance companies, including insurance underwriting subsidiaries; report only debt positions with unaffiliated foreign residents	X	
Pension funds, including pension funds subsidiaries; report only debt positions with unaffiliated foreign residents	X	
All other U.S.-resident financial institutions.	X	
U.S. non-financial holding companies (for themselves and for all of their U.S.-resident non-financial subsidiaries).		X
All other non-financial U.S.-resident entities that are not more than 50 percent owned by another U.S.-resident entity.		X

4. Exemption Levels

Exemption levels are applied to the consolidated reportable claims and liabilities of the reporting entity using the consolidation rules described above. For example, in applying the exemption rules, the establishing Bank should include its International Banking Facilities (IBFs).

A reporter is exempt from any form (or part) shown in the following table if: (a) the total reportable claims/liabilities for all geographic areas (Row 9999-6) to be reported in that form (part) are less than the amount in the "Grand Total" column below; and (b) its total reported claims/liabilities for every individual geographic area are less than the amount in the "Individual Country Data" column below.

However, once the exemption level for a form or part is exceeded, the reporter should continue to submit the form or part for the remainder of the calendar year.

Exemption Levels for TIC Reporting			
		Exemption Levels (Report if greater than or equal to either level)	
Form / Part	**Description**	**Grand Total of all Geographic Areas (Row 9999-6)**	**Individual Country Data (any country row)**
BC	Reporter's own dollar claims on foreign residents	$50 million	$25 million
BL-1	Reporter's own dollar liabilities to foreign residents	$50 million	$25 million
BL-2	Reporter's U.S. customers' dollar liabilities to foreign residents	$50 million	$25 million
BQ-1	Reporter's U.S. customers' dollar claims on foreign residents	$50 million	$25 million
BQ-2, Part 1, Columns 1-6	Reporter's foreign currency liabilities and claims and its domestic customers' foreign currency claims with foreign residents	$50 million	$25 million
BQ-2, Part 2, Columns 1-3 (Row 9980-5)	Total of reporter's domestic customers' foreign currency liabilities to foreign residents	$50 million	No country limit
		Total reported data on Forms BL-1 & BQ-2, Part 1, Columns 1+2, Grand Total of all Geographic Areas (Row 9999-6)	
BQ-3 (Part I)	Maturity schedule for selected liabilities of reporters to foreign residents (total of U.S. dollar & foreign currency-denominated liabilities)	$4 billion	No country limit
		Total reported data on Forms BC & BQ-2, Part 1, Columns 3+4, Grand Total of all Geographic Areas (Row 9999-6)	
BQ-3 (Part II)	Maturity schedule for selected claims of reporters to foreign residents (total of U.S. dollar & foreign currency-denominated claims)	$4 billion	No country limit

D. Accounting Issues

1. General

All amounts should be reported gross, using settlement date accounting. Securities should be reported in millions of U.S. dollars at the face value. All other instruments should be reported in millions of U.S. dollars at the outstanding contractual amount less any impairments or accrued interest (if applicable). Accrued interest receivables and payables should be reported separately. Do not enter decimals or negative values in any cell of a form. Claims with negative balances should be reported as liabilities; liabilities with negative balances should be reported as claims.

Data reported on all TIC B reports should be the balances outstanding at the "close of business" as of the last business day of the period covered by the reports. The time designated as the close of business should be reasonable and applied consistently.

2. Foreign Currency Denominated Positions

For foreign currency-denominated positions reported on the BQ-2 and BQ-3, report the U.S. dollar equivalent of the foreign currency amounts, converted by using the closing spot exchange rate on the as-of date of the report.

3. Charge-offs

Respondents should deduct from claims any charge-offs or specific reserves where there has been an identified loss. Charge-offs or specific reserves made during the reporting period should be totaled and reported on Form BC in the row titled "Assets written off this reporting period" (row 8200-9) only in the initial period when they are established. Claims should not be reduced by any general or valuation reserves.

E. Reporting the Location of Foreign Counterparties

1. Countries and Other Areas

Positions with foreign residents should be reported for the country or geographical area in which the direct counterparty legally resides (e.g., the country of incorporation, or, for a branch, of license). Do not report positions based on the currency of denomination of the instrument, the country of the parent institution of the counterparty (i.e., nationality), the country of issuance of the instrument, or the country of a guarantor (i.e., ultimate risk). Please note: branches of U.S. residents located outside the U.S. are foreign residents. U.S.-resident branches of foreign banks are U.S. residents.

2. Examples

- A respondent has a reportable liability denominated in yen to a British company located in Italy. A Spanish bank guarantees the liability. The liability should be reported for the location in which the direct counterparty resides (Italy), not the location of the guarantor (Spain) or the nationality of the counterparty (United Kingdom).

- A respondent has a reportable claim on a Cayman Islands branch of a U.S. bank. The claim should be reported for the location in which the direct counterparty resides (Cayman Islands), not the location of that bank's head office (United States).

3. Determining Residency

Counterparty residence is determined by the country of legal residence (e.g., the country of incorporation, or, for a branch, of license). For example:

- Partnerships, trusts, and funds are residents of the country in which they are legally organized. (For example, pension funds of International and Regional Organizations are residents of the country of residence of the pension fund.)
- Banks, BHCs, FHCs, SLHCs, foreign banking organizations (FBOs), securities brokers and dealers, corporations and subsidiaries of corporations are residents of the country in which they are incorporated (not the country of the head office or primary operations).
- Bank branches are residents of the country in which they are licensed (not the country of the head office).
- Individuals are residents of the country in which they are domiciled.
- Entities or individuals that file an IRS Form W-8, indicating that they are foreign residents, are treated as such, unless they are residents of Puerto Rico or U.S. territories, such as Guam. Residents of Puerto Rico and U.S. territories are U.S. residents. If an IRS form is not available, the mailing address can be used to determine residency.
- **Exceptions**:
- International and Regional Organizations (See Appendix B) are residents of the International and Regional Organizations areas, not the countries in which they are located. Positions with the Red Cross and the Institute of International Finance are reported as International (Note: These institutions are "other foreigners", not Foreign Official Institutions.)
- Positions with the Bank for International Settlements (BIS), the European Central Bank (ECB), the Eastern Caribbean Central Bank (ECCB), the Bank of Central African States (BEAC), and the Central Bank of West African States (BCEAO), should each be reported opposite their name in the List of Foreign Economies and Organizations.
- Positions with branches or agencies of Foreign Official Institutions should be reported opposite the country that owns the Foreign Official Institution. (A list of Foreign Official Institutions is located in Appendix C.)

F. Submission of Reports

1. Where to Report

Banks, Savings and Loan Holding Companies (SLHCs), Bank Holding Companies and Financial Holding Companies (BHCs and FHCs) should file with the Federal Reserve District Bank in which the reporter is located, unless instructed by the Reserve Bank

in the District in which the entity has its head office. Securities brokers and dealers (including securities brokers and dealers owned by Banks or BHCs, FHCs) and all other financial institutions should file their reports with the Federal Reserve Bank of New York, regardless of location. Data may be submitted through the Internet. The Reporting Central System is fast, easy to use, and secure. You can submit reports quickly and easily either using online data entry or via spreadsheet file transfer. Reporting Central provides a confirmation of data receipt at the Federal Reserve Bank and checks the validity of your submission. Reporting Central saves time and delivery costs, avoids possible mail delays, and eliminates paper and fax transmissions. For more information on Reporting Central, log on to http://www.frbservices.org/centralbank/reportingcentral/index.html or call your Federal Reserve Bank contact for TIC reporting.

2. Due Dates

The dates by which the TIC B reports must be received are as follows:

TIC B Reporting Due Dates		
Form	**Frequency**	**Date to be received**
BC BL-1 BL-2	Monthly	No later than the 15th calendar day following the last day of the month
BQ-1 BQ-2 BQ-3	Quarterly	No later than the 20th calendar day following the last day of March, June, September, and December

If the due date of a report falls on a weekend or holiday, the due date is the following business day.

3. Alternative Methods of Reporting

Data may also be reported on computer printouts in the same format as the printed reports. The Federal Reserve Bank to which the report is to be filed must approve proposed computer printouts in advance of the first submission.

4. Signature Requirements

The cover page of the TIC B forms (which can be printed by the respondents from the TIC website at http://www.ustreas.gov/tic/forms.html must be signed by a duly authorized officer of the institution. For electronic filers, the signature page should be retained by the reporter.

5. Reporter ID Number

Each reporting entity has been assigned an "RSSD ID" number by the Federal Reserve System. To ensure proper processing, this ID must be entered in the space provided on each form. If you do not know your RSSD ID number, please call the Federal Reserve Bank to which your reports are submitted.

6. Record Keeping Requirement

Reports must be retained for 3 years from the date of submission.

7. Review of Data and Requests for Revised Data

Federal Reserve System staff review data submitted on the TIC forms. As a result of their review and editing procedures, Reserve Bank staff may ask reporters to explain unusual changes or submit revisions, as necessary. Since these data are extremely time-sensitive, respondents should respond as quickly as possible to these requests.

II. TIC Form BC: Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents

A. What to Report

1. Reportable Claims

Financial institutions, except insurance companies and pension funds, report all U.S. dollar-denominated claims on foreign residents, including affiliates, own foreign offices (both banking and nonbanking), and unaffiliated counterparties unless specifically excluded. Insurance companies and pension funds should only report U.S. dollar-denominated claims on unaffiliated foreign residents unless specifically excluded.

Claims are defined consistently with regulatory reports such as the bank "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

Reportable claims include:

- Deposit balances due from banks of any maturity (including non-negotiable CDs)
- Negotiable certificates of deposit of any maturity
- Brokerage balances (see glossary for more information)
- Customers' overdrawn accounts
- Loans and loan participations of any maturity
- Resale agreements and similar financing agreements
- Short-term negotiable and non-negotiable securities (original maturity of one year or less)
- Money market instruments (e.g., commercial paper, bankers' acceptances) with an original maturity of one year or less
- Reinsurance recoverables (see glossary for more information)
- Accrued interest receivables
- All reportable claims should be reported gross (e.g., no ASC Subtopic 210-20 netting)

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales to foreign residents of long-term securities should be reported on the TIC S and positions should be reported on the TIC SLT and the SHC(A).)
- Credit commitments (e.g., unused loan commitments and unused loan facilities), and contingent liabilities.
- Derivatives, including forwards, futures, options, swaps, and warrants.

- Spot foreign exchange contracts.
- Precious metals (e.g., gold, silver) and currencies in transit to or from the United States or held outside the United States for the account of the reporter.
- Foreign currency-denominated claims. (These should be reported on the BQ-2.)
- Securities borrowing agreements in which one security is borrowed in return for another. (Resale type agreements, including securities lending, are reportable only if the reporter transferred cash in return for the security.)
- Claims in the form of short-term securities or certificates of deposit for which a U.S.-resident custodian is used (should be reported by the U.S. custodian on the TIC BQ-1).

B. Column Definitions

The amounts allocated to each column are based on the type of foreign counterparty and the type of instrument.

1. Type of Foreign Counterparty

a. Foreign Banks and Foreign Official Institutions (Columns 1, 2, and 3)

Foreign banks are all foreign-resident banks (defined under the laws of the host country), including commercial banks, savings banks, development banks, discount houses and other similar foreign institutions that are not Foreign Official Institutions (see below). Include in these columns, claims on all foreign banking offices of the reporter (including branches). Claims on foreign affiliated and unaffiliated nonbanking offices and subsidiaries of the reporter and a non-bank parent of the reporter should be reported as "All Other Foreigners" (Columns 4 and 5).

Foreign Official Institutions are:

- Treasuries, including ministries of finance, or corresponding departments of national governments; central banks, including all departments thereof; stabilization funds, including official exchange control offices or other government exchange authorities; and diplomatic and consular establishments and other departments and agencies of national governments.
- Banks, corporations, or other agencies (including development banks and other institutions that are majority-owned by central governments) that are fiscal agents of national governments and perform activities similar to those of a treasury, central bank, stabilization fund, or exchange control authority.

Note: Appendix C (Foreign Official Institutions List) includes the major Foreign Official Institutions that have come to the attention of the Federal Reserve Banks and the Department of the Treasury, but it does not purport to be exhaustive. Whenever a question arises as to whether or not an institution should be classified as "official," consult the Federal Reserve Bank with which you file reports.

b. All Other Foreigners (Columns 4 and 5)

All Other Foreigners are all foreign residents that do not meet the definitions of a foreign bank or Foreign Official Institution. Include in these columns, positions with affiliated foreign non-banking offices and subsidiaries of the reporter. These foreign resident entities include non-bank financial institutions (NBFIs)(see glossary for the definition); non-financial corporations, partnerships, and individuals; departments and agencies of foreign state, provincial, and local governments; and foreign government-sponsored corporations.

2. Type of Instrument

a. Non-Negotiable Foreign Deposits (Column 1)

Report all deposits due from foreign banks and Foreign Official Institutions including demand, time (e.g., non-negotiable CDs), and savings deposits (including Eurodollar deposits, but excluding negotiable certificates of deposit). Also include in this column any brokerage balances (see glossary for definition) due from foreign banks.

b. Negotiable CDs & All Short-Term Negotiable Securities (Column 2)

Report in this column all negotiable certificates of deposit (of any maturity) and all negotiable securities (including money market instruments) with an original maturity of one year or less, issued by foreign banks and Foreign Official Institutions. (See glossary for definition of securities.)

c. Other (Columns 3 and 5)

Report in column 3 all reportable claims (as described in Section II.A above) on foreign banks and Foreign Official Institutions except non-negotiable foreign deposits reported in column 1 and negotiable CDs and negotiable short-term securities reported in column 2. Include in column 3 funds loaned under resale agreements and similar financing agreements to foreign banks and Foreign Official Institutions, claims on foreign banks from reinsurance recoverables and accrued interest receivables. Also include in column 3 all non-negotiable short-term securities of foreign banks and Foreign Official Institutions.

Report in column 5 all reportable claims (as described in Section II.A above) on all other foreign residents except short-term securities reported in column 4. Include in column 5 funds loaned under resale agreements and similar financing agreements to all other foreign residents, claims on foreign insurers from reinsurance recoverables and accrued interest receivables. Also include in column 5 all non-negotiable short-term securities of all other foreign residents and all brokerage balances (see glossary for definition) due from foreign securities brokers and dealers.

d. All Short-Term Negotiable Securities (Column 4)

Report in this column all short-term negotiable securities issued (with an original maturity of one year or less) (including money market instruments) by foreign residents other than foreign banks and Foreign Official Institutions.

3. "Of Which" Column Definitions (Columns 7, 8, and 9)

a. Foreign Official Institutions (Column 7)

Report all claims included in columns 1 through 3 that are due from Foreign Official Institutions (see definition above).

b. Own Foreign Offices (Column 8) (Not applicable for insurance underwriting companies and pension funds)

Report all claims included in columns 1 through 5 that are due from the reporter's own foreign offices (both banking and nonbanking), including any direct foreign parent, any non-U.S. branch or agency, and any foreign-resident office indirectly owned through a U.S. subsidiary depository or non depository financial institution. Reporters should exclude offices of the reporter's parent's non-banking or banking subsidiaries as own foreign offices, even though these claims are reportable in columns 1 through 5 (See glossary for definition of own foreign offices).

c. Resale Agreements (Column 9)

Report the amounts included in columns 3 and 5 that represent funds loaned to foreign residents under resale agreements and similar financing arrangements. These amounts should be reported gross (i.e., no ASC Subtopic 210-20 netting).

C. "Of Which" Row Definitions

1. Total IBF Assets (8300-3)

In each column, report the amounts included in the Grand Total row (9999-6) which represent claims of your International Banking Facilities (IBFs) on foreign residents.

2. Negotiable CDs (8110-8)

In the unshaded cell (column 2), report the total amount included in the Grand Total row (9999-6) which represents negotiable certificates of deposit issued by foreign residents.

3. Unpaid Insurance Claims (8132-9)

In columns 3, 5, and 6, U.S. – resident insurance underwriters should report reinsurance recoverables (see glossary for definition) due from unaffiliated foreign-resident insurance companies that are also included in the Grand Total row (9999-6).

4. Claims on Foreign-Resident Non-Bank Financial Institutions (8133-7)

In columns 4, 5, 6, 8 and 9, report the amounts included in the Grand Total row (9999-6) which represent claims that are due from foreign-resident non-bank financial institutions (NBFIs) (see glossary for the definition).

5. Assets Written Off This Reporting Period (8200-9)

Report the amount of charge-offs or specific reserves for reportable claims taken partially or entirely during the reporting period. Only report charge-offs during the

period in which they were established. Do not include general reserves. (See General Instructions Section I.D for detailed information on charge-offs.)

III. TIC Form BL-1: Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents

A. What to Report

1. Reportable Liabilities

Financial institutions, except insurance companies and pension funds, report all U.S. dollar-denominated liabilities to foreign residents including affiliates, own foreign offices (both banking and nonbanking), and unaffiliated counterparties, unless specifically excluded. Insurance companies and pension funds should only report U.S. dollar-denominated liabilities to unaffiliated foreign residents unless specifically excluded.

Liabilities are defined consistently with regulatory reports such as the bank "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

Reportable liabilities include:

- Non-negotiable deposits of any maturity, including non-negotiable certificates of deposit
- Brokerage balances (see glossary for more information)
- Overdrawn deposit accounts
- Loans of any maturity excluding drawn syndicated loans where there is a U.S. administrative agent (see glossary for more information)
- Short-term non-negotiable securities (an original maturity of one year or less)
- Repurchase agreements and similar financing agreements
- Insurance technical reserves (see glossary for definition)
- Accrued interest payables
- All reportable liabilities should be reported gross (e.g., no ASC Subtopic 210-20).

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales transactions with foreign residents of long-term securities should be reported on the TIC S and positions with foreign residents of long-term securities should be reported on the TIC SLT and the SHL(A)).
- Negotiable certificates of deposit: These should be reported by the U.S. custodian or the U.S. issuer (if a U.S. – resident custodian is not used) on the BL-2 (if dollar-denominated) or BQ-2 (if foreign currency-denominated).
- Negotiable short-term securities: These should be reported by the U.S. custodian or the U.S. issuer (if a U.S. – resident custodian is not used) on the BL-2 (if dollar-denominated) or BQ-2 (if foreign currency-denominated).

- Contingent liabilities.
- Derivatives, including forwards, futures, options, swaps, and warrants.
- Spot foreign exchange contracts.
- Precious metals (e.g., gold, silver) and currencies held in the respondent's vaults for foreign residents, in transit to or from the United States, or held outside the United States for the respondent's account or the account of the respondent's customers located in the United States.
- Foreign currency-denominated liabilities. (These should be reported on the BQ-2.)
- Foreign residents' deposits or brokerage balances swept into money market or other mutual funds. (These should be reported on the TIC S.)
- Securities lending agreements in which one security is lent in return for another. (Repurchase type agreements are reportable only if the reporter has lent a security for cash.)
- Loans from a foreign resident that are serviced by a U.S. resident (including the reporter's own offices).

B. Column Definitions

The amounts allocated to each column are based on the type of foreign counterparty and the type of instrument.

1. Type of Foreign Counterparty

a. Foreign Official Institutions (Columns 1 and 2)

Foreign Official Institutions are:

- Treasuries, including ministries of finance, or corresponding departments of national governments; central banks, including all departments thereof; stabilization funds, including official exchange control offices or other government exchange authorities; and diplomatic and consular establishments and other departments and agencies of national governments.
- Banks, corporations, or other agencies (including development banks and institutions that are majority-owned by central governments) that are fiscal agents of national governments and perform activities similar to those of a treasury, central bank, stabilization fund, or exchange control authority.

Note: The list in Appendix C (Foreign Official Institutions List) includes the major Foreign Official Institutions that have come to the attention of the Federal Reserve Banks and the Department of the Treasury, but it does not purport to be exhaustive. Whenever a question arises as to whether or not an institution should be classified as "official," consult the Federal Reserve Bank with which you file reports.

b. Foreign Banks (Columns 3 and 4)

Foreign Banks are all foreign-resident banks (defined under the laws of the host country), including commercial banks, savings banks, development banks, discount houses and other similar foreign institutions that do not qualify as a Foreign Official Institution. Include in these columns, liabilities to all affiliated banking offices (including branches).

Positions with foreign affiliated nonbanking offices and subsidiaries of the reporter and non-bank parent of the reporter should be reported as To All Other Foreigners (Columns 5 and 6).

c. All Other Foreigners (Columns 5 and 6)

All Other Foreigners are all foreign residents that do not meet the definitions of a foreign bank, or Foreign Official Institution. Include in these columns, positions with affiliated foreign non-banking offices and subsidiaries of the reporters. These foreign resident entities include non-bank financial institutions (NBFIs) (See glossary for the definition), non-financial corporations, partnerships, and individuals, departments and agencies of foreign state, provincial, and local governments, and foreign government sponsored corporations.

2. Type of Instrument

a. Non-Negotiable Deposits and Brokerage Balances (Columns 1, 3, and 5)

Depository institutions should report all non-negotiable deposit liabilities, including demand, time, and savings deposits and non-negotiable certificates of deposits, including those placed at its International Banking Facility (IBFs). Depository institutions and securities brokers and dealers should report all brokerage balances of foreign residents. Brokerage balances are cash balances held in brokerage and margin accounts of foreign residents, including affiliated foreign residents, whether these funds may be freely withdrawn or are held to support positions in futures, securities or other financial instruments. (See glossary for further information.)

Both depository institutions and securities brokers and dealers should exclude balances swept into a money market fund, government securities fund, or other kind of mutual fund. (Mutual fund shares, including money market mutual fund shares, purchased or sold by foreign residents are reported as equity securities on the TIC S form.)

b. Other (Columns 2, 4, and 6)

Report in these columns all reportable liabilities (as described in Section III.A) other than non-negotiable deposits and brokerage balances reported in columns 1, 3, and 5. Include in these columns loans from foreign residents (including repurchase agreements and overdrawn deposit accounts), insurance claims payable, prepaid insurance premiums, accrued interest payable, and non-negotiable short-term securities issued by the reporter.

3. "Of Which" Column Definitions (Columns 8 and 9)

a. Own Foreign Offices (Column 8) (Not applicable for insurance underwriting companies and pension funds)

Report all liabilities included in columns 3, 4,5, and 6 that are due to the reporter's own foreign offices (both banking and nonbanking), including any direct foreign parent, any non-U.S. branch or agency, and any foreign-resident office indirectly owned through a U.S. subsidiary depository or non depository financial institution. Reporters should exclude offices of the reporter's parent's non-banking or banking subsidiaries as own foreign offices, even though these liabilities are reportable in columns 3 through 6 (see glossary for definition of own foreign offices).

b. Repurchase Agreements (Column 9)

Report the amounts included in columns 2, 4, and 6 that represent funds borrowed under repurchase agreements and similar financing agreements. These amounts should be reported gross (i.e. no ASC Subtopic 210-20 netting).

C. "Of Which" Row Definitions

1. IBF Liabilities (8300-3)

In each column, report the amounts included in the Grand Total row (9999-6), which represent the liabilities of the reporter's International Banking Facilities (IBFs) to foreign residents.

2. Repurchase Agreements (8400-7)

In columns 2, 4, 6, and 8, report the amounts included in the Grand Total row (9999-6), which represent funds borrowed from foreign residents under repurchase agreements. The Grand Total of row 8400-7 (column 7) should be equal to the Grand Total (row 9999-6) of column 9.

3. Non-interest Bearing Liabilities (8130-2)

In each column, report all non-interest bearing deposits and loans included in columns 1 through 6 in the Grand Total row (9999-6). Include all non-interest bearing liabilities to foreign offices reported in columns 3, 4, 5, and 6 regardless of the nature of the instruments.

4. Unpaid insurance claims and prepaid insurance premiums (8132-9)

In columns 2, 4, 6, and 7, U.S. – resident insurance underwriters should report for U.S. – resident underwriting business the total amount of technical reserves (unpaid insurance claims (See glossary for definition) and prepaid insurance premiums (see glossary for definition)) due to unaffiliated foreign-resident policyholders that are also included in the Grand Total row (9999-6).

5. Liabilities to Foreign-Resident Non-Bank Financial Institutions (8133-7)

In columns 5, 6, 7, 8 and 9, report the amounts included in the Grand Total row (9999-6), which represent liabilities to foreign-resident non-bank financial institutions (NBFIs). (See glossary for definition.)

IV. TIC Form BL-2: Report of Customers' U.S. Dollar Liabilities to Foreign Residents

A. What To Report

1. Reportable Customers' Liabilities

Report all U.S. dollar-denominated liabilities of U.S. residents to foreign residents of the types listed below:

a. Custody Items

Include liabilities of U.S. residents which a reporter holds in custody for the account of foreign residents. Asset/Fund Managers should report as custody items assets under management (AUM) that are not held by a U.S. – resident custodian. Reportable custody items are:

- Short-term (an original maturity of one year or less) negotiable and non-negotiable debt securities (including money market instruments). Include securities that have been temporarily "transferred out" by foreign residents under repurchase agreements or similar agreements. Include short-term securities of the U.S. Treasury, federal agencies, and federally-sponsored enterprises. (see section below on reporting of securities.)
- Negotiable certificates of deposit of any maturity issued by either the reporter or another U.S. resident depository institution and held by the reporter for foreign residents.

b. Liabilities to Managed Foreign Offices

- Liabilities of U.S. residents other than those subject to TIC B reporting (See Section I.D.) to managed foreign offices of the reporter. Managed foreign offices are offices for which a majority of the responsibility for business decisions (e.g., decisions with regard to lending, asset management, funding, or liability management), or the responsibility for record keeping for that foreign office resides at the reporter.

c. Loans Placed Overseas

- Foreign holdings of loans and loan participations to U.S. residents that are serviced by the reporter, whether held by affiliated or non-affiliated parties.
- Liabilities of U.S. residents to foreign residents from loan syndications in which the reporter is the administrative agent.

d. Short-term Negotiable Securities

Short-term negotiable securities issued by the reporter directly in a foreign market where no U.S. custodian (other than the reporter) is used.

(Refer to the flowcharts in Appendix A that outline reporting responsibility for customer liabilities.)

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds and debentures.
- Precious metals (e.g., gold, silver) and currencies held in the reporter's vaults for foreign residents.
- Assets, including short-term securities held in custody for customers, which have been temporarily received by foreign residents as collateral under resale agreements or similar financing agreements.
- Foreign currency-denominated liabilities. (These should be reported on Part 2 of the BQ-2.)
- Short-term non-negotiable securities issued by your own institution. (These should be reported on the BL-1.)

3. Reporting of Securities

U.S.-resident custodians should report all short-term negotiable securities (see glossary for definition of securities) held for foreign residents (whether issued by the reporter or another U.S. resident) on the BL-2 (if dollar-denominated) or BQ-2 (Part 2) (if foreign currency-denominated).

If a TIC B reporter issues a short-term negotiable security directly in a foreign market, and a U.S.-resident custodian is not used, the reporter should report the security on the BL-2 (if dollar-denominated) or BQ-2 (Part 2) (if foreign currency-denominated) as if the reporter were acting as the U.S. custodian.

By contrast, if a TIC B reporter issues a short-term non-negotiable security directly in a foreign market, the reporter should include the security on the BL-1 (if U.S. dollar-denominated) or BQ-2 (Part 1) (if foreign currency-denominated). The BL-2 and BQ-2 (Part 2) should only include short-term non-negotiable securities held in custody for foreign customers other than the reporter.

Although negotiable certificates of deposit are not considered securities for the TIC reports, they are treated in a manner similar to short-term negotiable securities. All foreign-held negotiable certificates of deposit of U.S. depository institutions (regardless of maturity) whether issued by the reporter or by another U.S. depository institution should be reported on the BL-2 (if dollar-denominated) or BQ-2, Part 2 (if foreign currency-denominated), if the reporter is the U.S. custodian or if no U.S. custodian is used.

4. Reporting of Syndicated Loans to U.S. Residents Placed Overseas

A reporter acting as an administrative agent for a syndicated loan to a U.S. resident that includes foreign creditors should report the U.S. resident's loan liability to foreign residents on the BL-2 (if dollar-denominated) or BQ-2 (Part 2) (if foreign currency-denominated).

Only the amount of the loan facility that is drawn down on the as-of-date of the report should be reported. (Undrawn commitments should be excluded from the TIC reports.) Report only the portion of the loan drawn by the obligor's U.S. offices. Loans extended to foreign affiliates of U.S. borrowers should be excluded.

Loans to U.S. residents where a reporter's foreign office acts as an administrative agent for the syndication should be excluded. These loan liabilities should be reported directly by the U.S. resident borrower on the TIC BL-1 or CQ-1 as appropriate.

B. Column Definitions

1. Type of Foreign Holder

a. Foreign Official Institutions (Columns 1, 2 and 3)

Foreign Official Institutions are: Treasuries, including ministries of finance, or corresponding departments of national governments; central banks, including all departments thereof; stabilization funds, including official exchange control offices or other government exchange authorities; and diplomatic and consular establishments and other departments and agencies of national governments, Banks, corporations, or other agencies (including development banks and institutions that are majority-owned by central governments) that are fiscal agents of national governments and perform activities similar to those of a treasury, central bank, stabilization fund, or exchange control authority.

Note: The list in Appendix C (List of Foreign Official Institutions) includes the major Foreign Official Institutions that have come to the attention of the Federal Reserve Banks and the Department of the Treasury, but it does not purport to be exhaustive. Whenever a question arises whether or not an institution should, in accordance with the instructions on the TIC forms, be classified as official, consult the Federal Reserve Bank with which you file reports.

b. Foreign Banks (Columns 4, 5 and 6)

Foreign Banks are all foreign-resident banks (defined under the laws of the host country), including commercial banks, savings banks, development banks, discount houses and other similar foreign institutions that do not qualify as a Foreign Official Institution. Include in these columns, liabilities to all foreign affiliated banking offices (including branches). Positions with foreign affiliated non-banking offices and subsidiaries of the reporter should be reported as All Other Foreigners (Columns 7, 8, and 9).

c. All Other Foreigners (Columns 7, 8 and 9)

All Other Foreigners are all foreign residents that do not meet the definitions of a foreign bank, or Foreign Official Institution. Include in these columns, positions with affiliated foreign nonbanking offices and subsidiaries of the reporter. These foreign resident entities include non-bank financial institutions (NBFIs) (See glossary for the definition), non-financial corporations, partnerships and individuals, departments and agencies of foreign state, provincial, and local governments, and foreign government sponsored corporations.

2. Type of Instrument

a. Short-Term U.S. Treasury Obligations (Columns 1, 4 and 7)

Report foreign residents' holdings of short-term (original maturity of one year or less) instruments that are direct obligations of the U.S. Treasury.

Do not include securities issued by or guaranteed by other U.S. government agencies (e.g., Government National Mortgage Association (GMNA)), federally-sponsored enterprises (e.g., Federal National Mortgage Association (FMNA)), and state and local governments. (Securities of these types of institutions are included in Columns 2, 5, and 8).

b. Negotiable CDs and Negotiable Short-term Securities (Columns 2, 5 and 8)

Report foreign residents' holdings of negotiable certificates of deposit (of any maturity) and short-term (original maturity of one year or less) negotiable securities (including money market instruments). (See glossary for definition of securities). Include in these columns all short-term negotiable securities other than those issued directly by the U.S. Treasury and included in columns 1, 4, and 7.

c. Other Custody Liabilities (Columns 3, 6, and 9)

Report foreign residents' holdings of all reportable liabilities (See Section IV.A, What to Report) other than short-term U.S. Treasury Obligations (Columns 1, 4 and 7) and negotiable CDs and negotiable short-term securities (Columns 2, 5 and 8). Include in these columns loans to U.S. residents from foreign residents that are serviced by the reporter (including drawn syndicated loans where the reporter acts as an administrative agent) and loans to U.S. residents other than those subject to TIC B reporting from managed foreign offices of the reporter. Also include in these columns all custodial holdings of non-negotiable securities.

3. "Of Which" Column Definition (Column 11)

a. Negotiable Certificates of Deposits Held for Foreign Residents in Columns 2, 5, or 8 (Column 11)

Report negotiable certificates of deposit held for foreign residents included in Columns 2, 5, or 8.

C. Memorandum Section Definitions - Liabilities by Sector of U.S. Debtor and by Instrument

In this section, report the customers' liabilities reported above categorized by sector of U.S. issuer and the type of instrument used. (Note that in these rows, only selected categories of liabilities are required to be reported. Therefore, in most cases, the rows will not sum to total liabilities.)

1. U.S.-Resident Bank Debt

a. Total U.S. –Resident Bank Debt Row (8102-7)

Report the total of all liabilities included in column 10 of the Grand Total row (9999-6) for which U.S. banks are the debtor.

b. Loans to U.S. Banks Row (8141-8)

In columns 3, 6, 9, and 10, report loans (see glossary for definition) to U.S. banks from foreign residents that are included in the Total Bank Debt row (8102-7).

c. Short-term Negotiable Securities Issued by U.S. Banks Row (8142-6)

In columns 2, 5, 8, and 10, report all short-term (original maturity of one year or less) negotiable securities issued by U.S. banks held by foreign residents that are included in the Total Bank Debt row (8102-7). Do not include negotiable certificates of deposit and non-negotiable securities.

2. U.S. Government Debt

a. Total U.S. General Government Debt Row (8144-2)

Report the total of all debt issued by the U.S. Treasury and state and local governments located in the United States that were reported in the Grand Total (9999-6). Do not include debt issued by U.S. government agencies (e.g., GMNA), federally-sponsored enterprises (e.g., FNMA), and U.S. government corporations (e.g. TVA).

b. Total U.S. Agency Debt Row (8146-9)

Report the total of all debt issued by, or guaranteed by, U.S. government agencies (e.g., GNMA), or federally-sponsored enterprises (e.g., FNMA) and were reported in the Grand Total Row (9999-6). This includes mortgage-backed securities that were issued by, guaranteed by, or are the obligation of a federal agency, a federal instrumentality, or a government-sponsored enterprise (see glossary for more information), including participation certificates, pass-throughs, CMOs, and REMICs. Exclude liabilities of the U.S. Treasury. These should be reported in the Total Government Liabilities row (8144-2). Exclude privately-issued mortgage-backed securities that are not guaranteed by the U.S. government or federally sponsored enterprises, even if the underlying collateral is government guaranteed. These should be reported in the Short-term Negotiable Securities Issued by U.S. NBFIs row (8136-1).

3. U.S. Resident Non-Bank Financial Institutions' (NBFIs) Debt

a. Debt of U.S.-Resident Non-Bank Financial Institutions (NBFIs) (8134-5)

Report the total of all liabilities included in column 10 of the Grand Total row (9999-6) for which U.S.- resident non-bank financial institutions are the debtor.

b. Loans to U.S. NBFIs Row (8135-3)

In columns 3, 6, 9, and 10, report the amounts included in the Grand Total row (9999-6), which represent all loans (see glossary for definition) from foreign residents to U.S.- resident non-bank financial institutions (NBFIs) (see glossary for the definition), other than to U.S. banks (reported in row 8141-8), governments, and U.S. agencies. Include in this row loans to U.S. resident NBFIs from foreign residents that are serviced by the reporter, (or the reporter acts as administrative agent) and loans to U.S.- resident NBFIs from managed offices of the reporter.

c. Short-Term Negotiable Securities Issued by U.S. NBFIs Row (8136-1)

In columns 2, 5, 8, and 10, report the amounts included in the Grand Total row (9999-6), which represent all short-term (original maturity of one year or less) negotiable securities issued by U.S. - resident non-bank financial institutions (NBFIs) (See glossary for the definition), other than U.S. banks (reported in Row 8142-6), the federal government, state and local governments and U.S. agencies (as defined above), held by foreign residents. Do not include non-negotiable securities.

V. TIC Form BQ-1: Report of Customers' U.S. Dollar Claims on Foreign Residents

A. What to Report

1. Reportable Customers' Claims

Report all U.S. dollar-denominated claims of U.S. residents on foreign residents of the types listed below:

a. Custody Items

Include all liabilities of foreign residents that the reporter holds in custody for the account of U.S. residents. Asset/Fund Managers should report as custody items assets under management (AUM) that are not held by a U.S. – resident custodian. Reportable custody items are:

- Short-term (an original maturity of one year or less) negotiable and non-negotiable debt securities (including money market instruments) issued by a foreign resident. Include foreign resident-issued securities that have been temporarily "transferred out" by U.S. residents under repurchase or similar agreements.
- Negotiable certificates of deposit of any maturity issued by a foreign resident and held by the reporter for U.S. residents.

b. Claims on Managed Offices

Claims of U.S. residents other than those subject to TIC B reporting on managed foreign offices of the reporter. Managed foreign offices are offices for which a majority of the responsibility for business decisions (e.g., decisions with regard to lending, asset management, funding, or liability management), or the responsibility for recordkeeping for the foreign office resides at the reporter.

c. Funds Placed Overseas

Claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices under pre-arranged "sweep" agreements. (See glossary for more information.)

d. Brokerage Balances

Brokerage balances of U.S residents placed abroad through the reporter. Brokerage balances are cash balances in brokerage and margin accounts, whether these funds may be freely withdrawn or are held to support positions in futures, securities, or in other financial instruments. (See glossary for more information.)

(Refer to the flowcharts in Appendix A that outline reporting responsibility for customer claims.)

All reportable claims should be reported gross (e.g., no ASC Subtopic 210-20 netting).

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures.
- Assets, including short-term securities held in custody for customers, which have been temporarily received as collateral under resale agreements or similar financing agreements.
- Foreign currency-denominated claims. (These should be reported on Part 1 of the BQ-2.)
- Administrative agents for syndicated loans should exclude loans to foreign borrowers by U.S. creditors. (Although administrative agents are required to report U.S. syndicated loan liabilities, they are not required to report U.S. syndicated loan claims. These claims are reported directly by the U.S. creditor.)
- Short-term securities held in your own security portfolio or trading account. (These should be reported on the BC.)

B. Column Definitions

The amounts allocated to each column are based on the type of instrument.

1. Non-Negotiable Foreign Deposits (Column 1)

Report claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices as a deposit under pre-arranged "sweep" agreements. However, exclude from this column funds transferred into non-deposit accounts (loans) at foreign offices under pre-arranged "sweep" agreements. (These are reported in column 4.) (See glossary for more information.) Include in this column any deposits of U.S. residents other than those subject to TIC B reporting that are held at managed foreign offices of the reporter. Include in this column brokerage balances (see glossary for definition) of U.S. residents placed abroad.

2. Negotiable CDs (Column 2)

Report U.S. residents' holdings of negotiable certificates of deposit of any maturity issued by foreign banks.

3. All Short-Term Negotiable Securities (Column 3)

Report U.S. residents' holdings of short-term (original maturity of one year or less) negotiable securities issued by foreign residents (including money market instruments) (see glossary for definition of securities).

4. Other Claims (Column 4)

Report U.S. residents' holdings of all reportable claims (See Section V.A, What to Report) other than non-negotiable foreign deposits (Column 1), negotiable CDs (Column 2), and short-term negotiable securities (Column 3). Include in this column U.S. residents' holdings of short-term non-negotiable securities issued by foreign residents and all claims of U.S. residents on foreign offices of the reporter resulting

from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices in the form of a borrowing under pre-arranged "sweep" agreements (see glossary for more information.) Funds transferred into deposit accounts at foreign offices under pre-arranged "sweep" agreements are reported in column 1. Also include borrowings by the managed foreign offices of the reporter from U.S. resident entities.

C. "Of Which" Row Definitions

1. Commercial Paper (8161-2)

In the cell in column 3, report the total amount included in the Grand Total row (9999-6) which represents commercial paper issued by foreign residents and held for the account of U.S. residents.

2. Claims of U.S. Banks (8163-9)

In each column, report the amounts included in the Grand Total row (9999-6) for which U.S. depository institutions are the customer of the reporter. Banks are the type of entities listed in the General Instruction, Section D.I.

3. Claims of U.S.- Resident Non-Bank Financial Institutions (NBFIs) (8134-5)

In each column, report the amounts included in the Grand Total row (9999-6) for which U.S.- resident non-bank financial institutions (NBFIs) (See glossary for the definition) are the customer of the reporter.

VI. TIC Form BQ-2, Part 1: Report of Foreign Currency Liabilities and Claims of Financial Institutions, and of their Domestic Customers' Foreign Currency Claims with Foreign Residents

A. What to Report

1. Reportable Own Liabilities (Columns 1 and 2)

Financial institutions, except insurance companies and pension funds, report all foreign currency-denominated liabilities (converted to U.S. dollars using the spot exchange rate on the as of date) to foreign residents including affiliates, own foreign offices (both banking and nonbanking), and unaffiliated counterparties, unless specifically excluded. Insurance companies and pension funds should only report foreign currency-denominated liabilities (converted to U.S. dollars using the spot exchange rate on the as-of date) to unaffiliated foreign residents unless specifically excluded.

Liabilities are defined consistently with regulatory reports such as the bank "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

- Reportable liabilities include: Non-negotiable deposits of any maturity, including non-negotiable certificates of deposit
- Brokerage balances (see glossary for more information)
- Overdrawn deposit accounts
- Loans of any maturity (see glossary for more information)
- Short-term non-negotiable securities (an original maturity of one year or less)
- Repurchase agreements and similar financing agreements
- Insurance technical reserves (see glossary for more information)
- Accrued interest payables

All reportable liabilities should be reported gross (e.g., no ASC Subtopic 210-20 netting).

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales transactions with foreign residents of long-term securities should be reported on the TIC S and positions with foreign residents of long-term securities should be reported on the TIC SLT and SHL(A).)
- Negotiable certificates of deposit. These should be reported by the U.S. custodian on Part 2 of this form (if foreign currency-denominated) or BL-2 (if dollar-denominated). If the reporter issues short-term negotiable certificates of deposit, and a U.S. –resident custodian is not used, the reporter should report

these on the BL-2 (if dollar-denominated) or BQ-2 (Part 2) if foreign-currency denominated.

- Negotiable short-term securities. These should be reported by the U.S. custodian or the U.S. issuer (if a U.S. –resident custodian is not used) on Part 2 of this form (if foreign currency-denominated) or BL-2 (if dollar-denominated).
- Contingent liabilities.
- Derivatives, including forwards, futures, options, swaps, and warrants.
- Spot foreign exchange contracts.
- Precious metals (e.g., gold, silver) and currencies held in the respondent's vaults for foreign residents, in transit to or from the United States, or held outside the United States for the respondent's account or the account of the respondent's customers located in the United States.
- U.S. dollar-denominated liabilities. (These should be reported on the BL-1.)
- Foreign residents' deposits or brokerage balances swept into money market or other mutual funds. (These should be reported on the TIC S.)
- Securities lending agreements in which one security is lent in return for another. (Repurchase-type agreements are reportable only if the reporter has lent a security for cash.)

3. Reportable Own Claims (Columns 3 and 4)

Financial institutions, except insurance companies and pension funds, report all foreign currency-denominated claims (converted to U.S. dollars using the spot exchange rate on the as of date) on foreign residents including affiliates, own foreign offices (both banking and nonbanking) and unaffiliated counterparties unless specifically excluded. Insurance companies and pension funds should only report foreign currency-denominated claims (converted to U.S. dollars using the spot exchange rate on the as of date) on unaffiliated foreign residents unless specifically excluded.

Claims are defined consistently with regulatory reports such as the bank "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

Reportable claims include:

- Deposit balances due from banks of any maturity, including non-negotiable certificates of deposit
- Negotiable certificates of deposit of any maturity
- Brokerage balances (see glossary for more information)
- Customers' overdrawn accounts
- Loans and loan participations of any maturity
- Resale agreements and similar financing agreements
- Reinsurance recoverables (see glossary for more information)

- Short-term negotiable and non-negotiable securities (original maturity of one year or less)
- Money market instruments (e.g., commercial paper, bankers' acceptances) with an original maturity of one year or less
- Assets Under Management (AUM) (not held by a U.S. custodian)
- Accrued interest receivables

All reportable claims should be reported gross (e.g., no ASC Subtopic 210-20 netting).

4. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales to foreign residents of long-term securities should be reported on the TIC S and positions with foreign residents of long-term securities should be reported on the TIC SLT and the SHCA.)
- Credit commitments (e.g., unused loan commitments.)
- Derivatives, including forwards, futures, options, swaps, and warrants.
- Spot foreign exchange contracts.
- Precious metals (e.g., gold, silver) and currencies in transit to or from the United States or held outside the United States for the account of the reporter.
- U.S. dollar-denominated claims. (These should be reported on the BC.)
- Securities borrowing agreements in which one security is borrowed in return for another. (Resale type agreements are reportable only if the reporter transferred cash in return for the security.)

5. Reportable Customers' Claims (Columns 5 and 6)

Report all foreign currency-denominated claims of U.S. residents (converted to U.S. dollars using spot exchange rate on the as of date) on foreign residents of the types listed below:

a. Custody Items

Include all liabilities of foreign residents which the reporter holds in custody for the account of U.S. residents. Asset/Fund Managers should report as custody items assets under management (AUM) that are not held by a U.S. –resident custodian. Reportable custody items are:

- Short-term (an original maturity of one year or less) negotiable and non-negotiable debt securities (including money market instruments) issued by a foreigner. Include foreign-issued securities that have been temporarily "transferred out" by U.S. residents under repurchase or similar agreements.
- Negotiable certificates of deposit of any maturity issued by a foreign resident and held by the reporter for U.S. residents.

b. Claims on Managed Offices

Claims of U.S. residents other than those subject to TIC B reporting on managed foreign offices of the reporter. Managed foreign offices are offices for which a majority of the responsibility for business decisions (e.g., decisions with regard to lending, asset management, funding, or liability management), or the responsibility for recordkeeping for the foreign office resides at the reporter.

c. Funds Placed Overseas

Claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices under pre-arranged "sweep" agreements. (See glossary for more information.)

d. Brokerage Balances

Brokerage balances of U.S residents placed abroad through the reporter. Brokerage balances are cash balances in brokerage and margin accounts, whether these funds may be freely withdrawn or are held to support positions in futures, securities, or in other financial instruments. (See glossary for more information.)

(Refer to the flowcharts in Appendix A that outline reporting responsibility for customer claims.)

6. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures.
- Assets, including short-term securities held in custody for customers, which have been temporarily received as collateral under resale agreements or similar financing agreements.
- U.S. dollar-denominated claims. (These should be reported on the BQ-1.)
- Administrative agents for syndicated loans should exclude loans to foreign borrowers by U.S. creditors. (Although administrative agents are required to report U.S. syndicated loan liabilities, they are not required to report U.S. syndicated loan claims. These claims are reported directly by the U.S. creditor.)
- Short-term securities held in your own security portfolio or trading account. (These should be reported as the reporter's own claims in columns 3 and 4 of this report.)

B. Column Definitions

1. Type of Instrument—Own Liabilities

a. Non-Negotiable Deposits (Column 1)

Depository institutions should report all non-negotiable deposit liabilities, including demand, time, and savings deposits and non-negotiable certificates of deposits (but not negotiable certificates of deposit), including those placed at its International Banking Facility (IBFs). Depository institutions and securities brokers and dealers should report all brokerage balances of foreign residents. Brokerage balances are cash balances held in brokerage and margin accounts of foreign residents, including affiliated foreign residents, whether these funds may be freely withdrawn or are held to support positions in futures, securities or other financial instruments. (See glossary for further information.)

> Both depository institutions and securities brokers and dealers should exclude balances swept into a money market fund, government securities fund, or other kinds of mutual fund. (Mutual fund shares, including money market mutual fund shares, purchased or sold by foreign residents are reported as equity securities on the TIC S.)

b. Other Liabilities (Column 2)

Report in column 2 all reportable liabilities (as described in Section VI.A., What to Report) due to foreign residents other than non-negotiable deposits and brokerage balances reported in column 1. Include loans, repurchase agreements, and overdrawn deposits accounts. Also, include in this column any short-term non-negotiable securities issued by the reporter. (Negotiable CDs and negotiable short-term securities should be reported in Part 2.)

2. Type of Instrument—Own Claims

a. Non-Negotiable Foreign Deposits (Column 3)

Report in column 3 all deposits due from foreign banks and Foreign Official Institutions including demand, time, and savings deposits (excluding negotiable certificates of deposits). Also include in this column all brokerage balances (see glossary for definition) due from foreign security brokers and dealers and foreign banks.

b. Other Claims (Column 4)

Report in column 4 all reportable own claims (as described in Section VI.A., What to Report) on foreign residents other than non-negotiable foreign deposits reported in column 3. Include in column 4 funds loaned under resale agreements and similar financing agreements of foreign residents and all non-negotiable securities issued by foreign residents.

3. Type of Instruments—Customers' Claims

a. Non-Negotiable Foreign Deposits (Column 5)

Report claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the

reporter's books to the books of foreign offices as a deposit under pre-arranged "sweep" agreements. However, exclude from this column funds transferred into non-deposit accounts (loans) at foreign offices under pre-arranged "sweep" agreements. (These are included in column 6.) (See glossary for more information.) Also include any deposits of U.S. residents other than those subject to TIC B reporting that are held at managed foreign offices of the reporter. Include in this column brokerage balances (see glossary for definition) of U.S. residents placed abroad.

b. Other Customers' Claims (Column 6)

Report U.S. residents' holdings of all reportable claims (See Section VI.A, What To Report) other than non-negotiable foreign deposits (Column 5). Include in this column U.S. residents' holdings of short-term non-negotiable securities and claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices in the form of a borrowing under pre-arranged "sweep" agreements. (See glossary for more information.) Exclude from this column funds transferred into deposit accounts at foreign offices under pre-arranged "sweep" agreements. (These are reported in column 5.) Also include claims of U.S. residents, other than those subject to TIC B reporting, on managed foreign offices of the reporter.

C. "Of Which" Row Definitions

1. Total IBF Liabilities/Assets (8300-3)

In columns 1 through 4, report the amounts included in the Grand Total row (9999-6) which represent the liabilities (columns 1 and 2)/claims (columns 3 and 4) of the reporter's International Banking Facilities (IBFs) to foreign residents.

2. Foreign Currency Detail (8500-1 to 8500-5)

For each column, report the amounts (converted into U.S. dollars using the spot exchange rate on the as of date of the report) of positions reported in the Grand Total row (9999-6) that are denominated in Canadian Dollars (8500-1), Euros (8500-2), Pounds Sterling (8500-3), Japanese Yen (8500-4), and Swiss Francs (8500-5).

3. Negotiable CDs (8110-8)

Report in columns 4 and 6, the total amount included in the Grand Total row (9999-6) which represents negotiable certificates of deposit issued by foreign residents.

4. Short-Term Negotiable Securities (8120-5)

Report in columns 4 and 6, all negotiable securities (including money market instruments) with an original maturity of one year or less, issued by foreign residents. (See glossary for definition of securities). Do not include negotiable certificates of deposit or non-negotiable securities.

5. Repurchase/Resale Agreements (8400-7)

In column 2, report the amounts included in the Grand Total row (9999-6) which represent funds borrowed from foreign residents under repurchase agreements and similar financing arrangements. In the cell in column 4, report the amounts included in the Grand Total row (9999-6) which represent funds loaned to foreign residents under resale agreements and similar financing arrangements. These amounts should be reported gross (i.e., no ASC Subtopic 210-20 netting).

6. Unpaid insurance claims and prepaid insurance premiums (8132-9)

In column 2, report for U.S.- resident insurance underwriters should report the total amount of insurance technical reserves (unpaid insurance claims (See glossary for definition) and prepaid insurance premiums (See glossary for definition)) due to unaffiliated foreign-resident policyholders that are also included in the Grand Total row (9999-6).

In column 4, U.S. – resident insurance underwriters should report reinsurance recoverables (See glossary for definition) due from unaffiliated foreign-resident insurance companies that are also included in the Grand Total row (9999-6).

7. Liabilities to and Claims on Foreign-Resident Banks (8138-8)

Foreign-resident banks (defined under the laws of the host country), include commercial banks, savings banks, development banks, discount houses, and other similar foreign institutions.

In columns 1, 2, 3, and 4, report the amounts included in the Grand Total row (9999-6) which represent foreign currency-denominated reporter's liabilities to and claims on foreign-resident banks. Include in this row, liabilities to and claims on your own and affiliated (subsidiaries of the parent) foreign-resident banks (including branches).

In columns 5 and 6, report the amounts included in Grand Total row (9999-6) which represent foreign currency-denominated claims of U.S. resident customers of the reporter on foreign-resident banks.

8. Liabilities to and Claims on Foreign-Resident Non-Bank Financial Institutions (NBFIs) (8133-7)

This memorandum item covers liabilities to and claims on foreign-resident non-bank financial institutions (NBFIs) (See glossary for the definition).

In columns 1, 2, 3, and 4, report the amounts included in the Grand Total row (9999-6) which represent foreign currency-denominated reporter's liabilities to and claims on foreign-resident NBFIs. Include in this row, liabilities to and claims on your own and affiliated (subsidiaries of the parent) foreign-resident NBFIs.

In columns 5 and 6, report the amounts included in Grand Total row (9999-6) which represent foreign currency-denominated claims of U.S. resident customers of the reporter on foreign-resident NBFIs.

VII. TIC Form BQ-2 , Part 2: Report of Customers' Foreign Currency Liabilities to Foreign Residents

A. What to Report

1. Reportable Customers' Liabilities

Report all foreign currency-denominated liabilities of U.S. residents (converted to U.S. dollars using the spot exchange rate on the as of date) to foreign residents of the types listed:

a. Custody Items

Include liabilities of U.S. residents held in custody for the account of foreign residents. Asset/Fund Managers should report as custody items assets under management (AUM) that are not held by a U.S. –resident custodian. Reportable custody items are:

- Short-term (an original maturity of one year or less) negotiable and non-negotiable debt securities (including money market instruments). Include securities that have been temporarily "transferred out" by foreign residents under repurchase agreements or similar agreements. (See section below on reporting of securities.)
- Negotiable certificates of deposit of any maturity issued by either the reporter or another U.S. resident depository institution and held by the reporter for foreign residents.

b. Liabilities to Managed Foreign Offices

- Liabilities of U.S. residents, other than those subject to TIC B reporting, to managed foreign offices of the reporter. Managed foreign offices are offices for which a majority of the responsibility for business decisions (e.g., decisions with regard to lending, asset management, funding, or liability management), or the responsibility for recordkeeping for that foreign office resides at the reporter.

c. Loans Placed Overseas

- Foreign holdings of loans and loan participations to U.S. residents that are serviced by the reporter, whether held by affiliated or non-affiliated parties.
- Liabilities of U.S. residents to foreign residents from loan syndications in which the reporter is the administrative agent.

d. Short-term negotiable securities issued by the reporter directly in a foreign market where no U.S. custodian (other than the reporter) is used.

(Refer to the flowcharts in Appendix A that outline reporting responsibility for customer liabilities.)

2. Specific Exclusions

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures.
- Precious metals (e.g., gold, silver) and currencies held in reporter's vaults for foreign residents.
- Assets, including short-term securities held in custody for customers, which have been temporarily received by foreign residents as collateral under resale agreements or similar financing agreements.
- U.S. dollar-denominated liabilities. (These should be reported on the BL-2).
- Short-term non-negotiable securities issued by your own institution. (These should be reported on the BL-1, if U.S. dollar-denominated or on the BQ-2, Part 1, if foreign currency-denominated.)

3. Reporting of Securities

All short-term negotiable securities (see glossary for definition of securities) held for foreign residents (whether issued by the reporter or another U.S. resident) are reported on the BL-2 (if dollar-denominated) or BQ-2, Part 2 (if foreign currency-denominated) by U.S. custodians.

If a reporter issues a short-term negotiable security directly in a foreign market, and a U.S. resident custodian is not used, the reporter should report the security issue on the BL-2 (if dollar-denominated) or BQ-2 Part 2 (if foreign currency-denominated) as if the reporter were acting as the U.S. custodian.

By contrast, if a TIC reporter issues a short-term non-negotiable security directly in a foreign market, the reporter should include the security on the BL-1 (if U.S. dollar-denominated) or BQ-1 (Part 1) (if foreign currency-denominated). The BL-2 and BQ-2 (Part 2) should only include short-term non-negotiable securities held in custody for customers.

Although negotiable certificates of deposit are not considered securities for the TIC reports, they are treated in a manner similar to short-term negotiable securities. All foreign-held negotiable certificates of deposit of U.S. depository institutions (regardless of maturity) whether issued by the reporter or by another U.S. depository institution should be reported on the BL-2 (if dollar-denominated) or BQ-2, Part 2 (if foreign currency-denominated), if the reporter is the U.S. custodian or if no U.S. custodian is used.

4. Reporting of Syndicated Loans to U.S. Residents Placed Overseas

A reporter acting as an administrative agent for a syndicated loan to a U.S. resident that includes foreign creditors should report the U.S. resident's loan liability to foreign residents on the BL-2 (if dollar-denominated) or BQ-2 (Part 2) (if foreign currency-denominated).

Report only the amount of the loan facility that is drawn down as of the report date. (Undrawn commitments should be excluded from the TIC reports.) Report only the portion of the loan drawn by the obligor's U.S. offices. Exclude loans extended to foreign affiliates of U.S. borrowers.

Exclude loans to U.S. residents where a reporter's foreign office acts as an administrative agent for the syndication. The U.S. resident borrower should report these loan liabilities directly on the TIC BL-1 or CQ-1 as appropriate.

B. Column Definitions

1. Type of Instrument

a. Negotiable CDs (Column 1)

Report foreign residents' holdings of negotiable certificates of deposit (of any maturity). (See the sub-section above "Reporting of Securities" for further information.)

b. All Short-term Negotiable Securities (Column 2)

Report all foreign-resident holdings of negotiable securities (including money market instruments) with an original maturity of one year or less. (See glossary for definition of securities and the sub-section above "Reporting of Securities" for further information.)

c. Other Liabilities (Column 3)

Report foreign residents' holdings of all liabilities (see Section VI.A, What to Report) other than negotiable CDs (Column 1), and short-term negotiable securities (Column 2). Include in this column, loans to U.S. residents that are serviced by the reporter and loans to U.S. residents, other than those subject to TIC B reporting, from managed foreign offices of the reporter.

VIII. TIC Form BQ-3: Report of Maturities of Selected Liabilities and Claims of Financial Institutions with Foreign Residents

A. What to Report

Report all claims and liabilities of the types specified below contained on the reporter's BC, BL-1 and BQ-2 forms for the same as of date, by remaining maturity. (All negotiable securities and negotiable CDs are excluded from this report.) Remaining maturity is the amount of time remaining from the report date until the final contractual maturity date or the next call date. (All foreign currency-denominated claims and liabilities should be converted to U.S. dollars using the spot exchange rate on the as of date.)

B. Part 1: Liabilities to Foreign Residents- Remaining Maturities

1. Column Definitions

The amounts allocated in each column are based on the type of instrument.

a. Non-Negotiable Deposits & Brokerage Balances (Column 1)

Report all non-negotiable deposits and brokerage balances included in columns 1, 3, and 5 (Grand Total row 9999-6) of the BL-1 and column 1 (Grand Total Row 9999-6) of the BQ-2, Part 1.

b. Repurchase Agreements and Other Liabilities (Column 2)

Report all repurchase and similar financing agreements included in the BL-1 in the Repurchase Agreement row (8400-7) and in column 2 of the BQ-2, Part 1, in the Repurchase Agreement row (8400-7). Also include all other liabilities reported on the BL-1 (columns 2, 4, and 6) and BQ-2, Part 1 (column 2) other than loan liabilities (See glossary for more information) that are included in column 3 of this form.

c. Loan Liabilities (Column 3)

Report the total amount of loans (see glossary for more information) excluding repurchase and similar agreements (included in column 2 of this form) reported on the BL-1 Columns 2, 4, and 6 and on the BQ-2, Part 1, Column 2. Exclude from this column all liabilities other than loans.

2. Row Definitions

The amounts allocated to each row are based on remaining maturity.

a. Demand Deposits (8010-1)

In column 1, report the amount of liabilities to foreign residents (both U.S. dollar- and foreign currency-denominated) that are payable on demand. Include in this row interest bearing demand deposits and brokerage balances.

b. Arrears (8020-9)

In each column, report the amount of liabilities to foreign residents (both U.S. dollar- and foreign currency-denominated) that are past due. The past due status of a liability should be determined in accordance with its contractual repayment terms.

c. Non-Interest Paying Items Without A Fixed Maturity Including Repos Under a Continuing Contract (8030-6)

In each column, report non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency-denominated) that have no stated maturity or that rollover under continuing contract including non-interest bearing demand deposits and brokerage balances . (Items originally sold at a discount are considered interest-bearing, even if they do not have a stated interest payment. Therefore, no liabilities sold at a discount should be reported in this row.)

d. Other Items Without a Fixed Maturity, Including Repos Under a Continuing Contract (8040-3)

In each column, report interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency-denominated) that have no stated maturity or that rollover under continuing contract.

e. Other, 90 Days or Less (8051-9)

In each column, report interest and non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency- denominated) with a remaining maturity of less than 91 days.

f. Over 90 Days to 180 Days (8052-7)

In each column, report interest and non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency-denominated) with a remaining maturity of over 90 days but no more than 180 days.

g. Over 180 Days to 270 Days (8053-5)

In each column, report interest and non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency- denominated) with a remaining maturity of over 180 days but no more than 270 days.

h. Over 270 Days to 1 Year (8054-3)

In each column, report interest and non-interest bearing liabilities to foreign resident (both U.S. dollar- and foreign currency- denominated) with a remaining maturity of over 270 days but no more than 1 year. (Year may be defined based upon 360 days, 365 days, or 1 calendar year, based upon the reporter's business practices.)

i. Over 1 Year to 2 Years (8055-1)

In each column, report interest and non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency- denominated) with a remaining maturity of over 1 year but no more than 2 years. ("Year" may be defined based upon 360, 365 days, or 1 calendar year based upon the reporter's business practices.)

j. Over 2 Years (8057-8)

In each column, report interest and non-interest bearing liabilities to foreign residents (both U.S. dollar- and foreign currency- denominated) with a remaining maturity of over 2 years. ("Year" may be defined based upon 360, 365 days, or 1 calendar year based upon the reporter's business practices.)

C. Part 2: Claims on Foreign Residents – Remaining Maturities

1. Column Definitions

The amounts allocated in each column are based on the type of instrument.

a. Non-Negotiable Deposits & Brokerage Balances (Column 1)

Report all non-negotiable deposits and brokerage balances included in column 1 (Grand Total row 9999-6) of the BC and column 3 (Grand Total row 9999-6) of the BQ-2, Part 1.

b. Resale Agreements and Other Claims (Column 2)

Report all resale and similar financing agreements included in column 9 (Grand Total row 9999-6) of the BC and in column 4 of the BQ-2, Part 1, in the Repurchase/Resale Agreement row (8400-7). Also include all other claims reported on the BC (columns 3 and 5) and BQ-2, Part 1 (column 4) other than loan claims (See glossary for more information) that are in included in column 3 of this form.

c. Loan Claims Excluding Resale Agreements (Column 3)

Report the total amount of loans (See glossary for more information), excluding resale and similar financing agreements (included in column 2 of this form), reported on the BC columns 3 and 5 and on the BQ-2, Part 1 (column 4). Exclude from this column all claims other than loans.

2. Row Definitions

The amounts allocated to each row are based on remaining maturity.

a. Demand Deposits, Arrears, Resale Agreements Under Continuing Contract, And Items With No Fixed Maturity (8139-6)

In column 1, report the amount of claims on foreign residents (both U.S. dollar and foreign currency denominated) that are receivable on demand such as demand deposits and brokerage balances.

In columns 2 and 3, report the amount of claims on foreign residents (both U.S. dollar and foreign currency denominated) that are past due (Arrears). The past due status of a loan or other asset should be determined in accordance with its contractual repayment terms. Furthermore, loans, leases, debt securities, and other assets are to be reported as past due when either interest or principal is unpaid under the circumstances specified in Schedule RC-N of the FFIEC 031. Also report claims on foreign residents that have no stated maturity or that

rollover under continuing contract excluding demand deposits and brokerage balances.

b. Maturing in 1 Year or Less (8143-4)

In each column, report claims on foreign residents (both U.S. dollar and foreign currency denominated) with a remaining maturity of 1 year or less.

c. Maturing in Over 1 Year (8147-7)

In each column, report claims on foreign residents (both U.S. dollar and foreign currency denominated) with a remaining maturity of over 1 year. ("Year" may be defined based upon 360 days, 365 days, or 1 calendar year based upon the reporter's business practices.)

IX. Glossary

Administrative Agent
An institution responsible for administering a loan, acting on behalf of all lenders, and acting as a conduit for all payments in a loan syndication. An administrative agent should report drawn loan syndications to U.S. resident borrowers owed to foreign residents on the BL-2 (if dollar-denominated) or the BQ-2 (if foreign currency-denominated).

American Depositary Receipt (ADR)
Negotiable certificates, typically issued by a U.S.-resident company for securities (usually shares of stock) issued by a foreign corporation. The securities are backed by the foreign securities, which are held in a custodial account, either at the issuing bank or by an agent. The ADRs themselves may be held in U.S. or foreign banks. ADRs are considered foreign securities and, purchases and sales of ADRs, by U.S. residents are reportable on the TIC S report. (To avoid double counting, the custodial holdings of the foreign securities are not reportable.) ADR holdings are not reportable on the TIC B reports.

Brady Bonds
Collateralized dollar-denominated bonds issued by a foreign government or central bank in exchange for loans under the Brady Plan. Brady Bonds are considered long- term debt securities and are excluded from the TIC B reports. These securities should be reported on the TIC S report.

Brokerage Balances
Cash balances: 1) held by U.S. residents in brokerage and margin accounts with foreign residents; and 2) held by foreign residents in brokerage and margin accounts at U.S.-resident entities. Brokerage balances should be reported gross and include funds that may be freely withdrawn or held to support positions in futures, securities or other financial instruments. The following are examples that generate cash balances in brokerage balances:

- Cash proceeds from selling securities short.
- Cash margin or collateral placed to support open positions in futures (initial, maintenance and margin) or options on exchanges, over-the-counter derivatives, and excess cash margin or collateral retained from previous settlements of positions.
- Cash margin lent to foreign for their purchases of securities.
- Cash interest and dividends on securities that have been pledged as collateral with foreign residents. Brokerage balances held at foreign entities should be reported on the BC (if they are the reporter's own dollar claims), on the BQ-1 (if they are U.S. dollar-denominated customer claims of a reporter), or on the BQ-2 (if they are foreign currency- denominated claims). Liabilities to foreign residents from brokerage balances should be reported on the BL-1 (if they are the reporter's own dollar liabilities) and on the BQ-2 (if they are foreign currency denominated liabilities).

Commercial Paper
A promissory note either unsecured or backed by assets such as loans or mortgages. They are usually sold at a discount and customarily have a fixed maturity of 270 days or less. Holdings of commercial paper should be reported on the B reports at face value, as a short-term security.

Credit Balances
Liabilities to a third party that are incidental to, or that arise from, the exercise of banking powers, including the payment of checks and lending of money. They must be no larger than necessary for the specific transaction. Credit balances are reported as deposits on the BL-1 and as demand deposits on the BQ-3.

Custodian
A bank or other organization that manages or administers the custody or safekeeping of stock certificates, debt securities, or other assets for institutional and private investors.

Deposits
The unpaid balance of money or its equivalent received or held by a bank in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, including balances in a checking, savings, or time account, or which are evidenced by its certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the bank, or a letter of credit or a traveler's check on which the bank is primarily liable. U.S. deposits held by foreign residents (other than negotiable certificates of deposit) should be reported on the BL-1 (if U.S. dollar-denominated) or the BQ-2 (Part 1) (if foreign currency-denominated). U.S. negotiable certificates of deposit held by foreign residents should be reported on the BL-2 (if U.S. dollar-denominated) or the BQ-2 (Part 2) (if foreign currency-denominated). Non-negotiable deposits held by U.S. residents at foreign banks should be reported on the BC (if it is the reporter's own U.S. dollar-denominated claim), on the BQ-1 (if it is the U.S. dollar-denominated claim of a customer of the reporter), or in the appropriate column of the BQ-2 for the reporter's own or customer's foreign currency-denominated claim. (Also see glossary entry for Negotiable Certificate of Deposits.)

Depository Receipts
See American Depository Receipts ("ADR"). Related types of depository receipts, such as Global Depository Receipts, are reported in the same manner as ADRs

Derivative Contracts
A derivative contract is a financial instrument or other contract with all three of the following characteristics:

- It has: (a) one or more underlyings; (b) one or more notional amounts; and (c) payment provisions. These terms determine the amount of the settlement or settlements, and, in some cases, whether or not a settlement is required.
- It requires no initial net investment, or an initial net investment that is much smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative contracts are excluded from the B reports. Embedded derivatives that are not bifurcated under FAS 133 should not be separated from the host contract and should be reported on the TIC B reports. However, if an embedded derivative is bifurcated, the derivative should be excluded from the B reports.

Development Banks
Entities owned by national governments other than the United States and are established to promote economic development of sectors of the economy, such as trade, housing, agriculture, finance and industry. Claims on and liabilities to development banks are reportable on the TIC B reports. Unless the development bank also performs the functions of a foreign official institution, development banks should be reported as private banks, even if owned by the government. (For further information, see the instructions for "type of foreign counterparty," on the specific instructions for the form in question.)

Direct Investment
Investment in which a resident of one country obtains a degree of influence over the management of a business enterprise in another country. The criterion used to define direct investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise. U.S. direct investment abroad represents the ownership or control, directly or indirectly, by one U.S. resident (U.S. parent) of at least 10 percent of a foreign business enterprise, which is called a foreign affiliate. Foreign direct investment in the United States represents the ownership or control, directly or indirectly, by one foreign resident (foreign parent) of at least 10 percent of a U.S. business enterprise, which is called a U.S. affiliate. For guidance on how to apply the direct investment criterion in the case of a limited partnership, see "Limited partnerships and direct investment" below.

Direct investment transactions and positions include the equity that gives rise to control or influence and intercompany lending, i.e., debt between affiliated enterprises. However, debt between selected affiliated financial intermediaries is not classified as direct investment because it is not considered to be so strongly connected to the direct investment relationship.

The financial intermediaries covered by this case are:

- deposit-taking corporations;
- securities brokers and dealers;
- financial and bank holding companies;
- investment funds; and
- other financial intermediaries.

However, insurance companies and pensions funds are financial intermediaries that are not covered by this case and their debt positions with their affiliates are part of direct investment.

Since insurance companies and pension funds are not covered by this case, insurance companies and pension funds should only report debt positions with unaffiliated foreign firms.

Therefore, all direct investment transactions and positions should be excluded from the TIC system. These transactions and positions should instead be reported to the Bureau of Economic Analysis (BEA). U.S. residents in direct investment relationships are required to file reports with BEA unless exempt.

Foreign Resident
Any individual, corporation, or other organization located outside the United States. A corporation incorporated outside the United States is a foreign resident even if it has no physical presence outside the United States. Foreign residents include:

- Foreign governments and any subdivision, agency or instrumentality thereof, including all foreign official nonbanking institutions, even if located in the United States (e.g., an embassy, consulate, or other diplomatic establishment of a foreign country). (However, all U.S. subsidiaries of foreign corporations are U.S. residents.)
- Entities that have filed an IRS Form W-8, indicating that the individual or entity is a nonresident alien or foreign entity not subject to certain United States information return reporting or to backup withholding rules.
- Any corporation or other organization located outside the United States, including the branches, subsidiaries, and other affiliates of U.S. entities located abroad.
- Individuals, including citizens of the United States, residing outside the United States.

EXCEPTION: Official international or regional organizations or subordinate or affiliated agencies thereof, created by treaty or convention between sovereign states, even if located in the United States, including the International Bank for Reconstruction and Development (IBRD or World Bank), the International Monetary Fund (IMF), and the United Nations (UN), are also considered foreign residents.

Foreign-Resident Custodian
A custodian located outside the United States, including a foreign affiliate of a U.S. custodian. Reporters should determine the location of a custodian according to the country where the custodian is incorporated, or otherwise legally established, not according to the country of custodian's parent firm, and not according to the location of the custodian's operations center.

Foreign Subcustodian
A foreign institution that holds in safekeeping foreign securities for a U.S. resident custodian.

Insurance Technical Reserves
Insurance technical reserves are liabilities of the insurance companies to policyholders and beneficiaries which represent the amounts identified by insurance companies to account for the prepayment of insurance premiums and reserves for unpaid claims incurred but not yet paid. These reserves quantify the outstanding loss liabilities for insurance claims which have been reported and not paid or which have been incurred but not reported (IBNR).

International Banking Facilities (IBFs)
A set of asset and liability accounts, segregated on the books of the United States establishing entity. IBFs are permitted to hold only assets and liabilities of foreign residents, residents of Puerto Rico and United States territories and possessions, other IBFs, and United States and foreign offices of the establishing entity. (See Federal Reserve Regulation D for more information.) The assets and liabilities of IBFs should be combined with those of the U.S. banking offices on the TIC B reports in all rows, except the IBF memo rows on the BC, BL-1 and BQ-2 reports.

Loans
A loan is generally an extension of credit resulting from direct negotiations between a lender and a borrower. The loan may have originated through direct negotiations with the borrower or it may have been originated by another lender that directly negotiated with a borrower. Loans may take the form of promissory notes, acknowledgements of advance, due bills, invoices, overdrafts, acceptances, and similar written or oral obligations. Loans include:

- Acceptances of other banks purchased in the open market
- Customer's liability to the reporting institution on drafts paid under letters of credit for which the bank has not been reimbursed
- Paper pledged by the bank whether for collateral to secure bills payable or for any other purpose
- Factored accounts receivable
- Participations (acquired or held) in a single loan or pool of loans or receivables (see discussion of Participations)
- Drawn syndicated loans (see instructions in the BL-2 and BQ-2 for more information and reporting instructions)
- Repurchase/resale agreements, where securities have been transferred in return for cash balances

Loans exclude those instruments that meet the definition of a security. (See glossary entry for Securities). Loans are reportable on the TIC B reports, regardless of maturity.

Loan Servicing Arrangements, Loan Servicer
An arrangement whereby one party (the loan servicer) agrees to collect payments from borrowers on behalf of the holder(s) of the loan. The loan servicer may be the originator of the loans, or may be another institution. The loan servicer/administrative agent should report the outstanding loans to U.S. resident borrowers owed to foreign residents on the BL-2 (if U.S. dollar-denominated), or the BQ-2 (if foreign currency-denominated).

Nationalized Banks
Institutions owned by foreign central governments that are classified as banks in their respective countries. Nationalized banks are classified as foreign private commercial banks, unless they function as foreign official institutions.

Negotiable Certificates of Deposit
Certificates of deposit evidenced by a negotiable (transferable) instrument or deposit in book entry form evidenced by a receipt or similar acknowledgement issued by the bank, that provides on its face that the amount of such deposit is payable to bearer or any specified person (e.g., deposit notes, bank notes). Negotiable certificates of deposit are not considered securities on the TIC reports. All foreign-held U.S. negotiable certificates of deposit (regardless of maturity) whether issued by the reporter or by another depository institution should be reported on the BL-2 (if dollar-denominated) or BQ-2 (if foreign currency-denominated). U.S. held foreign negotiable certificates of deposits should be reported on the BC or BQ-1 (if dollar-denominated), or the BQ-2 (if foreign currency-denominated).

Non-Bank Financial Institutions (NBFIs)
Businesses and institutions other than "banks" and "public," as defined above, that are primarily engaged in proprietary investments and/or in the provision of financial services to other

organizations and households. These services include, but are not limited to financial intermediation services whose functions are predominantly: the extending of credit for business purposes, brokerage services, underwriting services, financial management services, credit origination services, credit card services, insurance services, and pension services. Types of non-bank financial organizations include, but are not limited to:

- Securities brokers/dealers
- Bank holding companies (BHCs)
- Financial holding companies (FHCs)
- Insurance companies
- Money market funds
- Pension funds
- Investment banks
- Private equity funds
- Credit card issuers
- Hedge funds
- Trusts
- Finance companies
- Mortgage companies
- Factors and other financial intermediaries who extend short-term business credit to finance inventories or carry accounts receivable

For data reporters who use NAICS codes for their counterparties, here are the codes for entities that are NBFIs:

- all codes under 52, Finance and Insurance, excluding 5211 (central banks) and 5221 (deposit-taking institutions)
- 551111 bank holding companies
- 551112(part) financial holding companies, insurance holding companies

For data reporters who use the GICS classification system for their counterparties, here are the codes for entities that are NBFIs: [The Global Industry Classification Standard (GICS) system was developed by Morgan Stanley Capital International and Standard & Poor's, and the web site is at: http://www.msci.com/products/indices/sector/gics/]

- 4020 diversified financials
- 4030 insurance
- 404020 real estate investment trusts (REITS)

Overdraft

An overdraft exists when a depository institution honors a check or draft drawn against a deposit account in which insufficient funds are held. Overdrafts should be reported gross and

not netted against good balances. Overdrawn accounts at foreign banks are reported on the BL-1. Foreign customers' overdrawn accounts are reported on the BC.

Own Foreign Offices

Own foreign offices are foreign offices (banking and nonbanking) of the reporter, including any foreign office indirectly owned through a U.S. subsidiary depository or non depository financial institution. In addition, reporters owned by a foreign resident should include its direct foreign parent and any non U.S. branches or agencies as own foreign offices. Reporters should **exclude** offices of the reporter's parent's non-banking or banking subsidiaries as own foreign offices.

Therefore, the reporter should include as own foreign offices the following if applicable:

1. The reporter's own non U.S. offices
2. The reporter's own foreign parent bank
3. The foreign parent banks non U.S. bank branches and agencies
4. The reporter's own U.S. depository institution's and/or non depository institution's foreign resident offices

Participations

A loan agreement whereby one bank contracts with other banks to participate in making a loan to a borrower. Each participant should report the amount of its own share in the participated loan. (Also see the BL-2 instructions for the reporting of syndicated loans.)

Policyholder

A policyholder is the party that owns an insurance policy.

Prepaid Insurance Premiums

Prepaid insurance premiums are the consideration paid by policyholders to insurance underwriters in exchange for the provision of defined future benefits or for the indemnification against specified insured losses. The portion of premiums associated with the unexpired portion of the term of coverage should be reported as liabilities of U.S. – resident insurance underwriters to foreign-resident policyholders.

Reinsurance Recoverables

Reinsurance recoverable represent reimbursements expected by U.S.- resident insurance underwriters, under reinsurance contracts governing underwriting coverage ceded to a foreign – resident insurer, for paid and unpaid claims, claims settlement expenses, and other policy benefits.

Repurchase/Resale Agreements

A repurchase agreement is a transaction involving the sale of financial assets by one party to another, subject to an agreement by the seller to repurchase the assets at a specified date or in specified circumstances. A resale agreement (also known as a reverse repurchase agreement) is a transaction involving the purchase of financial assets by one party from another, subject to

an agreement by the purchaser to resell the assets at a specified date or in specified circumstances.

Except as otherwise noted below under the discussion of ASC Topic 860, Transfers and Servicings, all repurchase and resale agreement transactions with foreign residents in which cash balances are provided as part of the transaction, are to be reported as borrowings from, or loans to, foreign residents collateralized by the underlying assets. In each case the amount of cash received/provided should be reported. In particular:

- U.S. dollar-denominated funds received from foreign residents from repurchase agreements are reported as liabilities on the BL-1, by country, and in memorandum row 8400-7. (The transfer of the securities should be excluded from purchases or sales on the TIC S Form.)
- U.S. dollar-denominated funds lent to foreign residents through resale agreements should be reported as claims on either the BC or BQ-1. (The receipt of the securities as collateral should be excluded from purchases or sales on the TIC S Form.)
- Funds denominated in foreign currency received or lent under repurchase agreements with foreign residents should be reported on the BQ-2.

Please note that all repurchase agreements should be reported gross (i.e., ASC Subtopic 210-20should not be applied).

If a repurchase agreement does not qualify as a secured borrowing under ASC Topic 860, Transfers and Servicings, the selling institution should account for the transaction as a sale of financial assets and a forward commitment to repurchase the security. Similarly, if a resale agreement does not qualify as a borrowing under ASC Topic 860, Transfers and Servicings, the purchasing institution should account for the transaction as a purchase of financial assets and a commitment to sell. In these cases, the transfer of the securities should be reported on the TIC S and the exchange of cash should be excluded from the TIC B forms. Securities lending agreements in which one security is loaned in return for another are not reportable on the TIC forms.

Securities

Securities are any bill, note, bond, debenture, equity or similar instrument that is commonly referred to as a security, excluding certificates of deposit. (In cases where it is not clear if a specific instrument is a security, contact the Federal Reserve Bank to which you submit your TIC reports.) Securities may be negotiable (tradable in secondary markets) or non-negotiable (not tradable in secondary markets).

Securities are classified as short-term (original maturity of one year or less) or long-term (original maturity of more than one year). Long-term securities include securities with no stated maturity, including equity securities such as common stock, preferred stock, certificate of interests, partnership interests, and mutual fund shares. Long-term securities are excluded from the TIC B forms and should be reported only on the TIC S form.

Short-term securities, which include money market instruments such as Treasury bills, short-term agency securities, commercial and finance paper, discounted bankers' acceptances, and short-term notes, should be reported on the TIC B forms, following the instructions in Sections A and B of this booklet for each form. A summary of these reporting requirements follows:

The Reporting of Short-Term Securities		
Situation	**Dollar-denominated**	**Non-dollar-denominated**
Claims		
A TIC B reporter holds a foreign security for its own account	BC	BQ-2, Part 1
A TIC B reporter holds a foreign security for the account of another institution/person	BQ-1	BQ-2, Part 1
Liabilities		
A TIC B reporter issues a non-negotiable security to a foreign resident (or to anyone in a foreign market)	BL-1	BQ-2, Part 1
A TIC B reporter issues a negotiable security (including all bearer instruments) in a foreign market (unless the security is known to be held by a U.S. custodian other than the reporter)	BL-2	BQ-2, Part 2
A TIC B reporter holds a negotiable or non-negotiable security issued by a U.S. resident than other than itself, for a foreign owner	BL-2	BQ-2, Part 2

If multiple U.S. custodians are involved in the holding of a negotiable security, the U.S. custodian nearest the end-claimant should report.

Securities Brokers and Dealers
Generally, securities brokers are entities that regularly engage in effecting securities transactions for others. A securities dealer is an entity that engages in buying securities for its own account. However, the definition of securities dealers excludes depository institutions and other institutions acting in a fiduciary capacity. (See the Securities Exchange Act for a list of the activities that constitutes a dealer.)

Settlement Date Accounting
Under settlement date accounting, assets purchased are not recorded until settlement date. Settlement date accounting should be used on the TIC B forms.

Subsidiary
A company in which another company (parent) owns 50% or more of the voting securities, or an equivalent interest (control).

Sweep Agreements
Sweep agreements are contractual agreements between institutions and their customers that allow funds to be automatically transferred to another account at the same institution, another institution, or into a financial instrument. When funds of U.S. nonbank residents are swept to a non-U.S. office of a B reporter, the B reporter should report the funds held at the non-U.S. office on the BQ-1.

United States
The fifty (50) States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the following: American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Palmyra Atoll, U.S. Virgin Islands, and Wake Island.

Unpaid Insurance Claims
Liabilities of U.S. – resident insurance underwriters to foreign-resident policyholders, for losses that have incurred but no yet reported (IBNR) and for reported unpaid claims. In addition, U.S. – resident insurance underwriters should recognize as claims, the portion of liabilities that will be recovered from foreign-resident reinsurers (See reinsurance recoverables).

U.S. Military Facilities
Offices of United States banks located in foreign countries that provide financial services to persons in the United States Armed Forces stationed abroad. For purposes of these reports, United States military facilities are classified as banking offices located in the United States.

U.S. Resident
Any individual, corporation, or other organization located in the United States, including branches, subsidiaries, and affiliates of foreign entities located in the United States. Corporations incorporated in the United States are considered to be U.S. residents even if they have no physical presence in the United States.

X. APPENDIX A: Reporting Requirement Flowcharts

Treatment of Short-term Securities and CDs

Situation 1 - A U.S. resident has a liability to a foreign resident in the form of a short-term security or a certificate of deposit (of any maturity)

- Flowchart 1A: A U.S.-resident custodian is used
- Flowchart 1B: Two U.S.-resident custodians are used
- Flowchart 1C: No U.S.-resident custodian is used for a negotiable instrument
- Flowchart 1D: No U.S.-resident custodian is used for a non-negotiable instrument

Situation 2 - A U.S. resident has a claim on a foreign resident in the form of a short-term security or a certificate of deposit (of any maturity)

- Flowchart 2A: A U.S.-resident custodian is used
- Flowchart 2B: No U.S.-resident custodian is used
- Flowchart 2C: A U.S.-resident custodian and a U.S.-resident subcustodian are used

Treatment of Other Claims and Liabilities

Situation 3 - A U.S. resident has a loan from a foreign resident which is serviced by a TIC B reporter (U.S.-resident financial institution)

- Flowchart 3: Responsibility of loan servicing office

Situation 4 - A U.S. resident has a claim on a foreign office which is managed by the U.S. office of a depository institution

- Flowchart 4A: Claims of a U.S. resident other than a financial institution
- Flowchart 4B: Claims of a U.S.-resident financial institution

Situation 5 - The assets of a U.S. resident are "swept" into an overseas account or asset

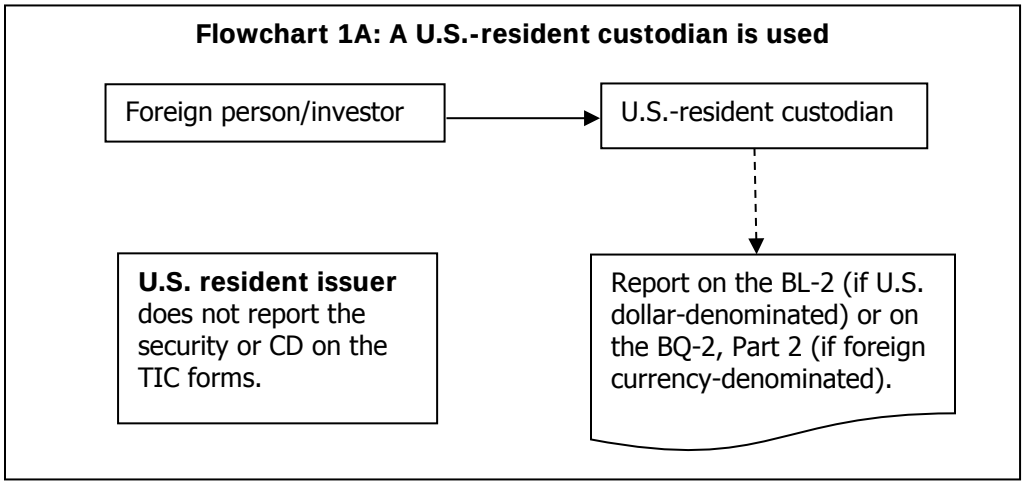
- Flowchart 5: Funds "swept" overseas

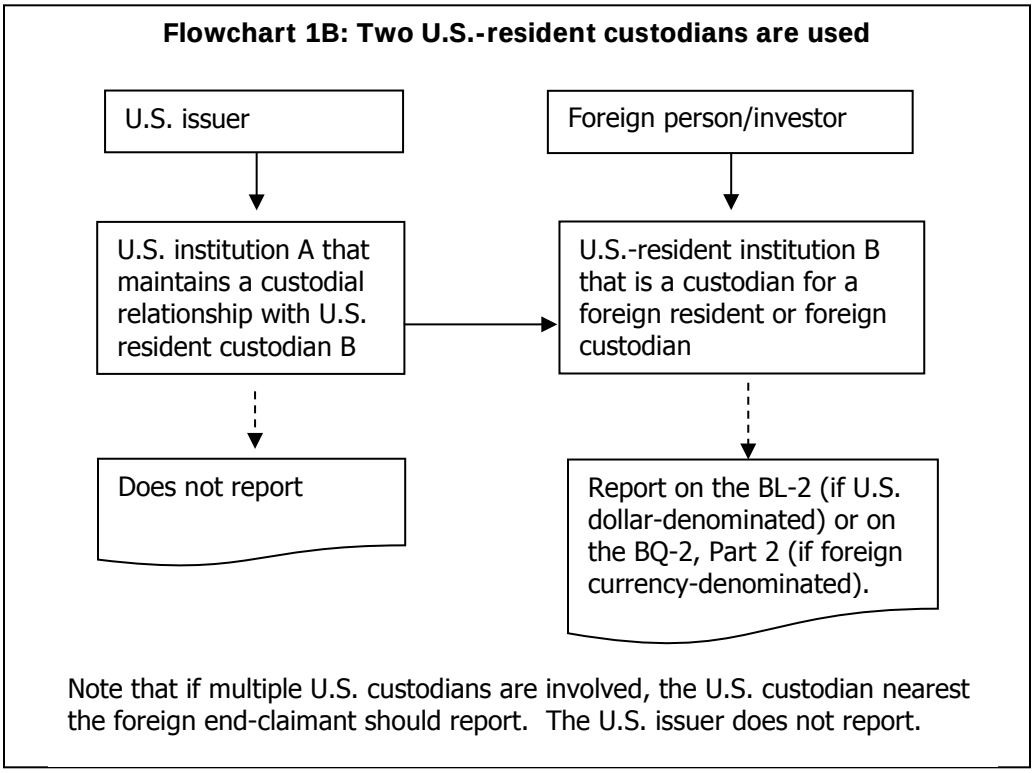
Situation 6 - Drawn syndicated loans of U.S. residents held by foreign residents

Flowchart 6A: A U.S.-resident administrative agent is used

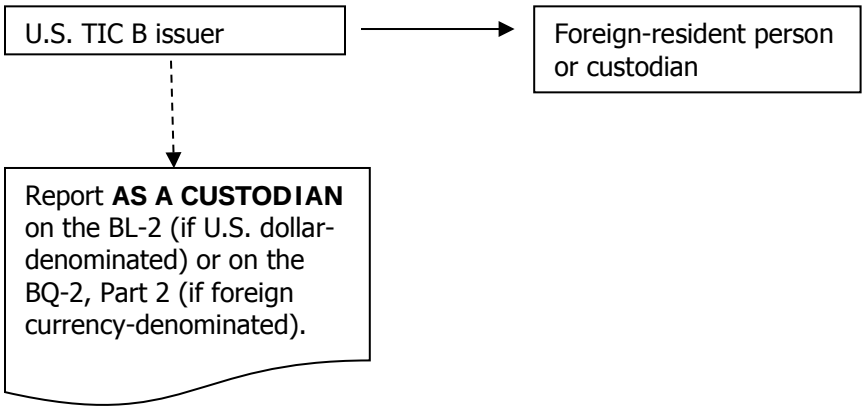
Flowchart 6B: No U.S.-resident administrative agent is used

Situation 1: A U.S. resident has a liability to a foreign resident in the form of a short-term security or a certificate of deposit (of any maturity)



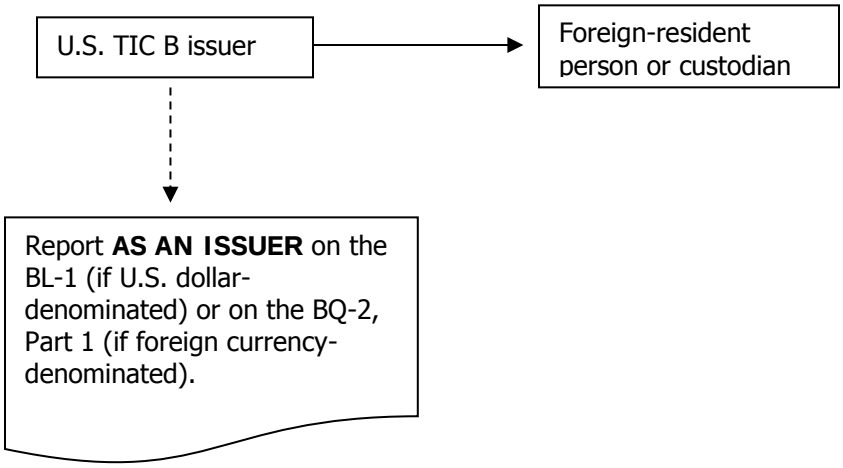


Flowchart 1C: No U.S.-resident custodian is used for a <u>negotiable</u> instrument



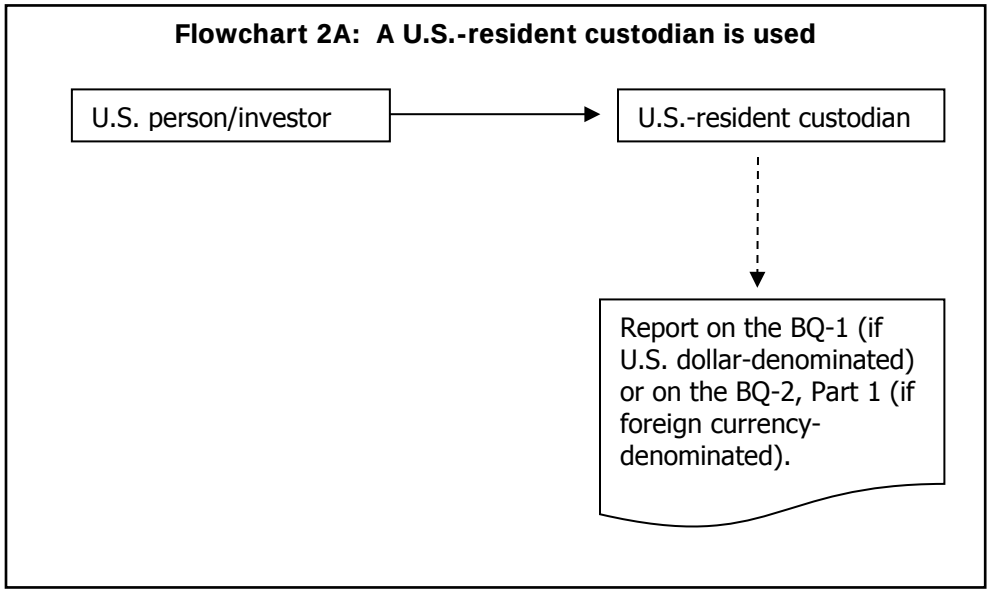
Note: All negotiable securities and negotiable CDs issued directly in a foreign market should be reported in this manner.

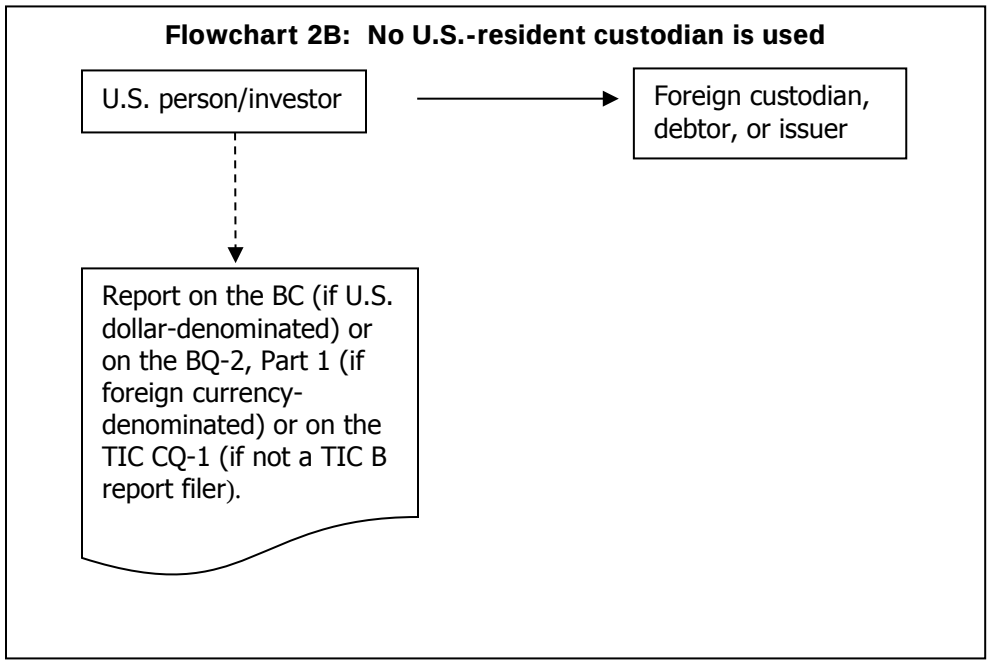
Flowchart 1D: No U.S.-resident custodian is used for a <u>non-negotiable</u> instrument



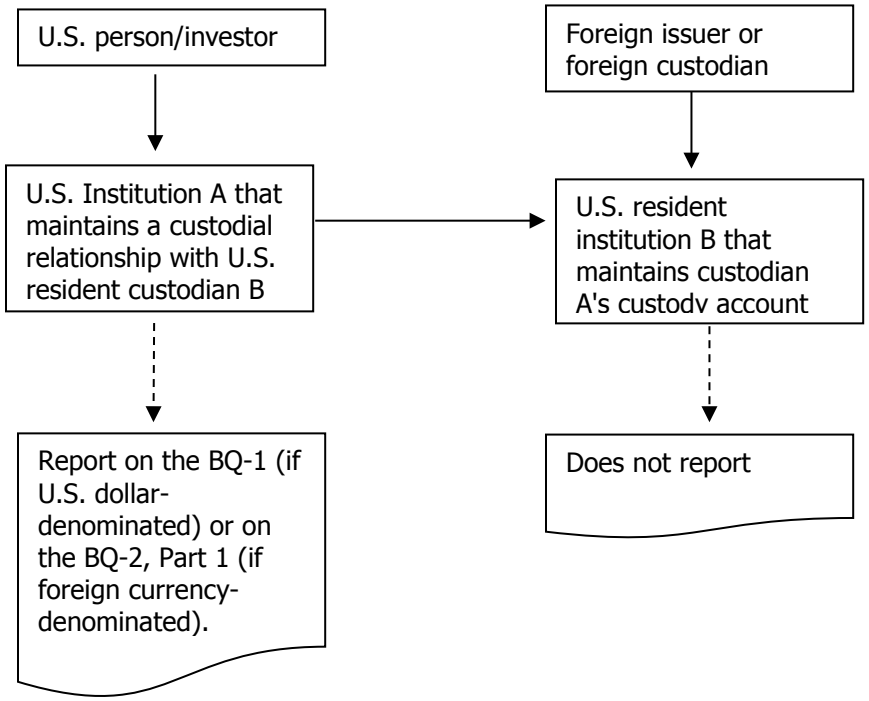
Note: On the BL-1, non-negotiable CDs are reported as "non-negotiable deposits" and non-negotiable short-term securities are reported as "other."

Situation 2: A U.S. resident has a claim on a foreign resident in the form of a short-term security or a certificate of deposit (of any maturity)



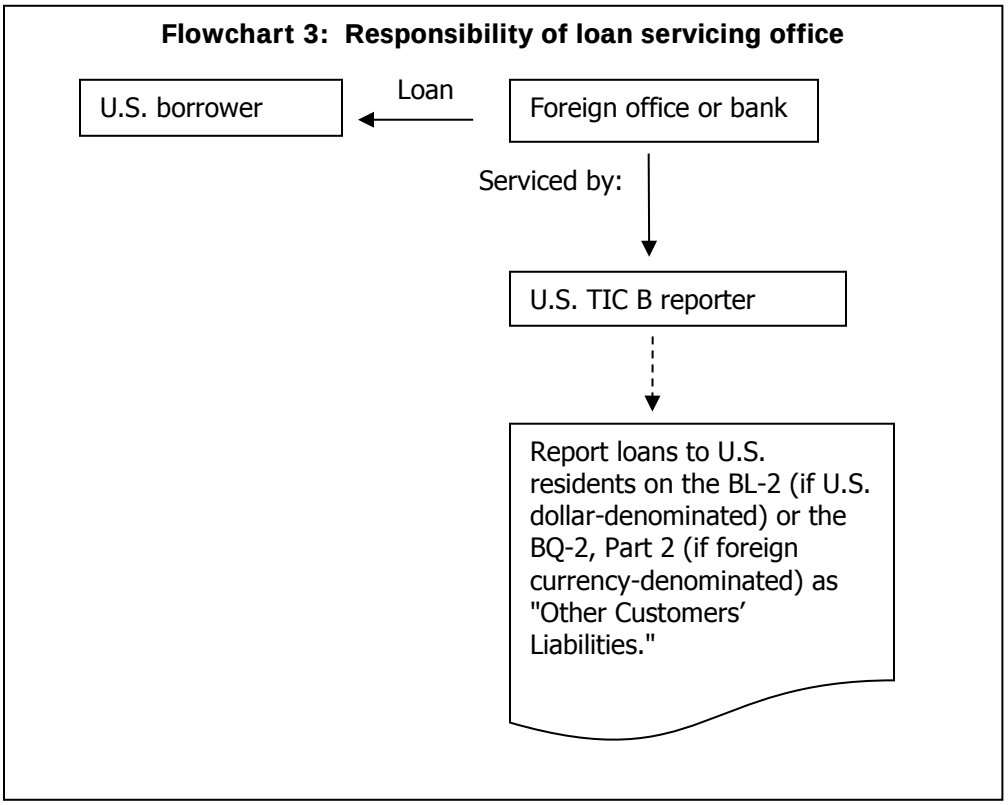


Flowchart 2C: A U.S.-resident custodian and a U.S.-resident subcustodian are used

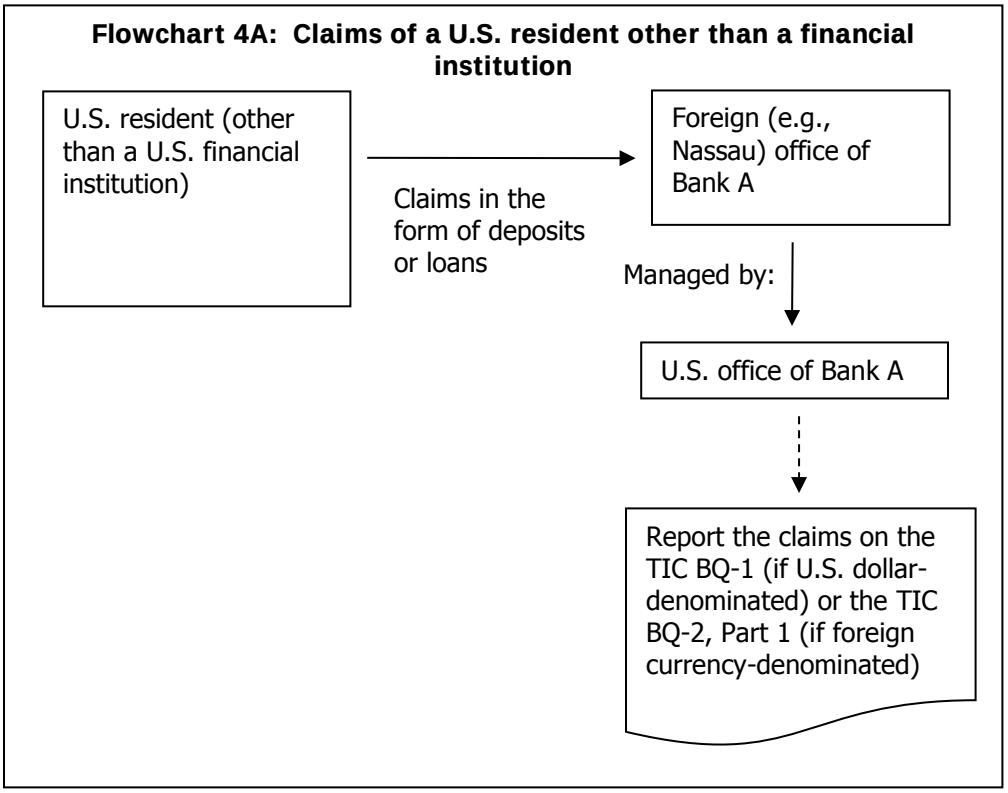


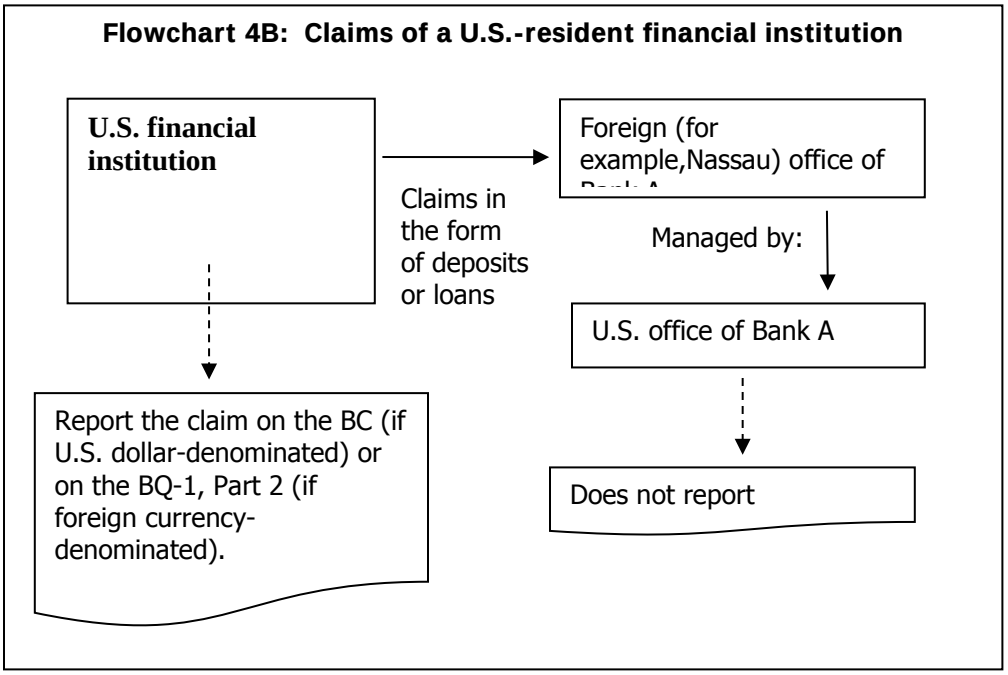
Note that the custodian closest to the U.S.-resident claimant reports.

Situation 3: A U.S. resident has a loan from a foreign resident which is serviced by a TIC B reporter (U.S.-resident , financial institution)

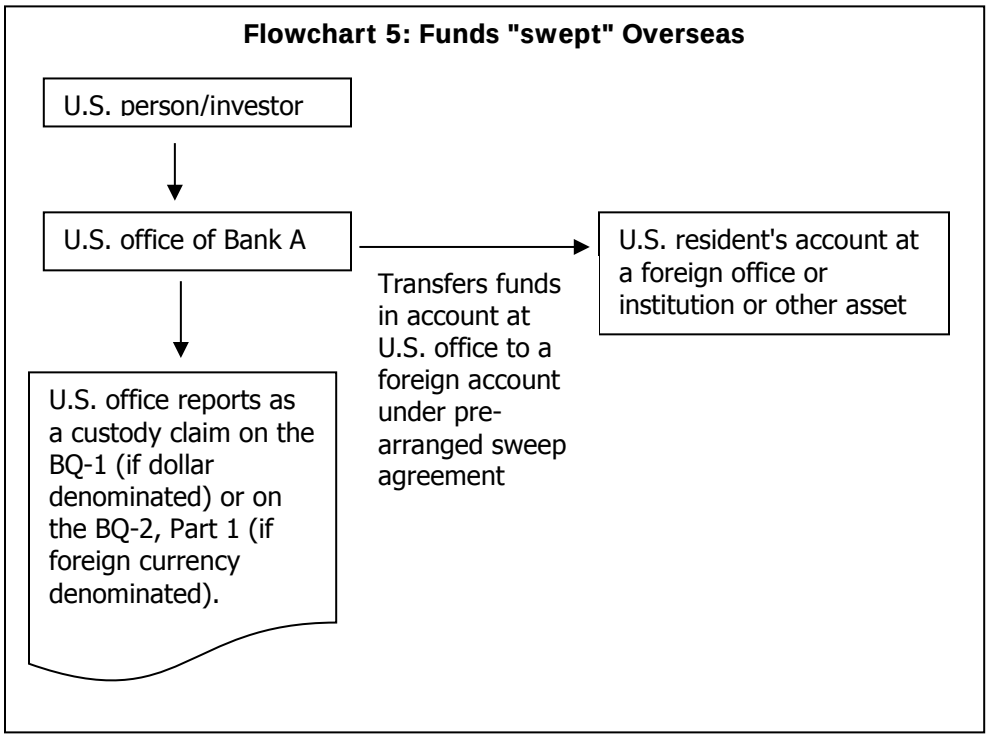


Situation 4 - A U.S. resident has a claim on a foreign office which is managed by the U.S. office of a depository institution

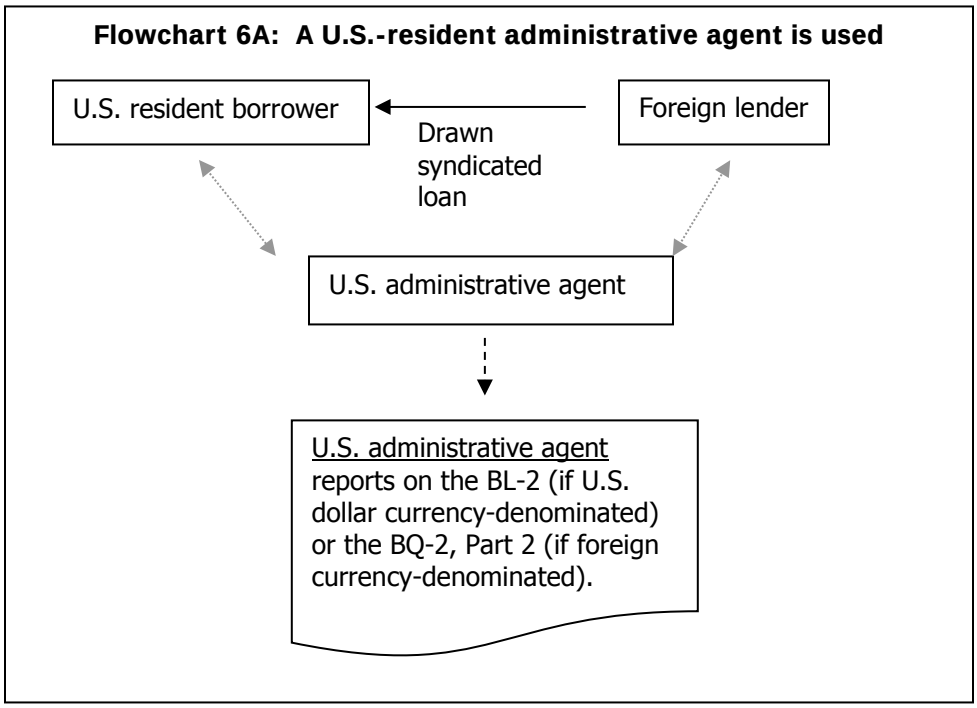


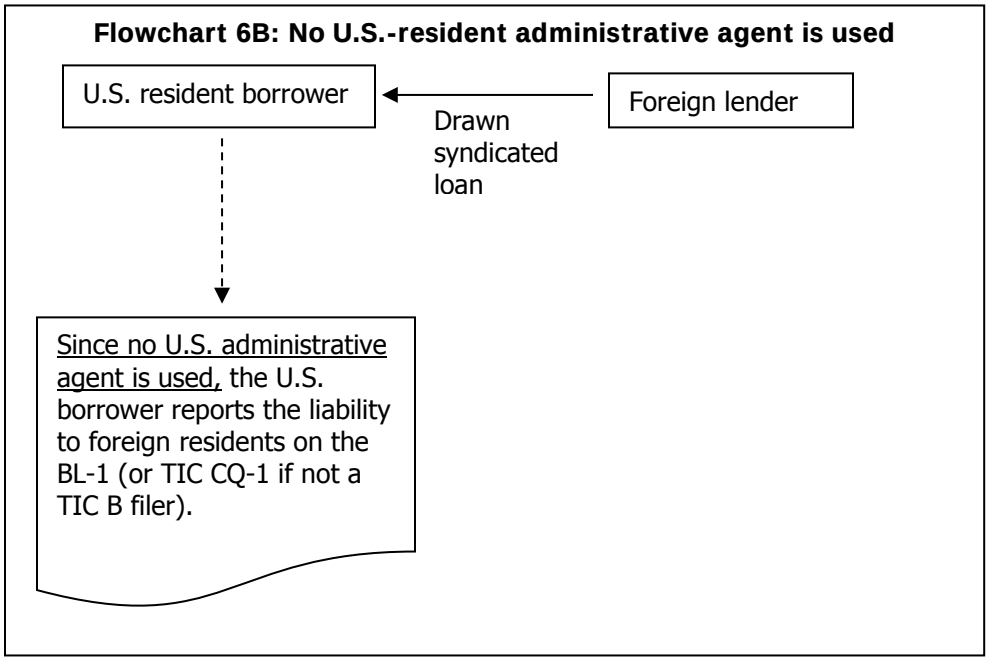


Situation 5: The assets of a U.S. resident are "swept" into an overseas account or asset



Situation 6: Drawn Syndicated loans of U.S. residents held by foreign residents





XI. APPENDIX B: Geo. Class.: Codes for foreign countries, areas and organizations

DEPARTMENT OF THE TREASURY

CODES FOR COUNTRIES, AREAS, & INTERNATIONAL/REGIONAL ORGANIZATIONS
TO BE USED FOR PURPOSES OF REPORTING ON
TREASURY INTERNATIONAL CAPITAL FORMS

The most recent version of this appendix is now a separate document.

A copy is on the TIC website, next to these instructions, at:

http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms-b.aspx

XII. APPENDIX C: List of Selected Foreign Official Institutions

DEPARTMENT OF THE TREASURY

CERTAIN FOREIGN INSTITUTIONS CLASSIFIED AS OFFICIAL, A LIST TO BE USED ONLY FOR PURPOSES OF REPORTING ON TREASURY INTERNATIONAL CAPITAL (TIC) FORMS

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http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms-b.aspx