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INSTRUCTIONS FOR THE MONTHLY TREASURY INTERNATIONAL CAPITAL (TIC) FORM SLT

AGGREGATE HOLDINGS, PURCHASES AND SALES, AND FAIR VALUE CHANGES OF LONG-TERM SECURITIES BY U.S. AND FOREIGN RESIDENTS (TIC SLT)

EFFECTIVE FOR REPORTS AS OF NOVEMBER 2022

MANDATORY REPORT
RESPONSE REQUIRED BY LAW
(22 U.S.C. 3101 ET SEQ.)

DEPARTMENT OF THE TREASURY
FEDERAL RESERVE BANK OF NEW YORK
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
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I. Introduction

A. Purpose and Notice under Paperwork Reduction Act

The purpose of the TIC Form SLT report is to gather timely and reliable information from U.S.-resident reporters on foreign-resident holdings, transactions, and changes in fair value of long-term U.S. securities and on U.S. -resident holdings, transactions and changes in fair value of long-term foreign securities. This information is needed for preparation of the U.S. Balance of Payments accounts and the U.S. international investment position, and in the formulation of U.S. international financial and monetary policies.

No person is required to respond to any U.S. government collection of information unless the form displays a currently valid control number assigned by the Office of Management and Budget (OMB). TIC Form SLT report has been reviewed and approved by OMB under control number 1505-0235.

The Treasury Department has estimated the average burden associated with the collection of information on each TIC Form SLT report per respondent, but this will vary widely across respondents: an overall average burden of 11.5 hours per respondent per filing, based on 21.6 hours for each custodian and 9.3 hours for each other respondent. These estimates include the time it will take to read the instructions, gather the necessary facts, fill out the forms, and retain a file of backup information. Comments regarding the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Global Economics, U.S. Treasury Department, Washington, D.C. 20220, Attention International Portfolio Investment Data Systems; or the Office of Management and Budget, Paperwork Reduction Project (1505- 0235), Washington, D.C. 20503.

B. Authority

The filing of the TIC Form SLT report as set forth in Part II.A is required by law (22 U.S.C. 286f; 22 U.S.C. 3103; E.O. 11961; E.O. 10033; 31 CFR 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 upon conviction of 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 CFR 128.4 (a) and (b)).

C. Confidentiality Statement

The TIC Form SLT report is filed with the Federal Reserve banks in their capacity as Treasury's fiscal agents, as further described in Part II. Data reported on this form 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 agents of the Treasury. The data reported by individual respondents will not be published or otherwise publicly disclosed; information may be given to the Board of Governors of the Federal

Reserve System and 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 this form may be published or otherwise publicly disclosed only in a manner that will not reveal the amounts reported by any individual respondent.

D. Relationship to Other Tic Statistical Reports

1. TIC B Forms

   The TIC B forms are filed by all U.S.-resident banks and other depository institutions, securities brokers and dealers, Bank Holding Companies (BHCs), Financial Holding Companies (FHCs), Intermediate Holding Companies (IHCs) and all other financial organizations. However, the positions of insurance underwriting subsidiaries of BHCs/FHCs/IHCs are excluded from the TIC B Forms and included in the TIC C Forms. On the TIC B Forms these entities report their short-term securities and non-securities positions with foreign residents, including with foreign affiliates of the reporting U.S. entities. (Also reported on the TIC B Forms are certain positions of the customers of TIC B reporters; TIC C reporters who are customers of these TIC B reporters should not report these positions to avoid double counting.)

2. The TIC C Forms

   The TIC C forms are filed by all U.S. entities other than financial organizations (such as depository institutions, Bank Holding Companies/Financial Holding Companies/Intermediate Holding Companies (BHCs/FHCs/IHCs), and securities brokers and dealers (including but not limited to depository institutions, Bank/ Financial/ Intermediate Holding Companies (BHCs/FHCs/IHCs), and securities brokers and dealers.) As an exception, the positions of insurance underwriting subsidiaries of BHCs/FHCs/IHCs are excluded from the TIC B reports and reported by the BHCs/FHCs/IHCs for the underwriting subsidiaries on the TIC C reports. On the TIC C Forms, these subsidiary entities report positions with unaffiliated foreign resident entities that are either short-term securities or non-securities

3. The TIC D Form

   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.

4. The TIC S Form

   The TIC S form is filed by all U.S.-resident entities that purchase (or sell) long-term securities directly from (or to) foreign residents. This form is designed to obtain data on foreigners' 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. (It is anticipated that this form will be discontinued after a period when its data can be compared with the transactions data from this revised form SLT.

5. TIC Annual Surveys (Forms SHL and SHC)

To improve the accuracy of the TIC system and collect detailed information on positions in securities, detailed security-by-security data are collected on a less frequent basis. Two data collection systems are used:

a. 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 foreigners 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).

b. 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, along with 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).

6. <u>The Treasury Foreign Currency (TFC) Forms</u>

   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.

7. <u>Direct Investment</u>

   Data on cross-border Direct Investment are collected by the Bureau of Economic Analysis, U.S. Department of Commerce. (See the definition of Direct Investment in the TIC Glossary; also see Section II.F.2.i for exceptions where certain direct investments are reportable on TIC reports.)

II. General Instructions

For purposes of the TIC Form SLT report and these instructions, terms used may be further defined in the TIC Glossary. Questions regarding these instructions or the TIC Form SLT report should be directed to the Federal Reserve Bank where the report is filed.

A. Who Must Report (new appendix A has flowcharts showing reporting responsibilities)

All U.S. persons (defined in the TIC Glossary) who are U.S.-resident custodians (including U.S.-resident central securities depositories), U.S.-resident issuers and U.S.-resident end-investors (as described below) who meet or exceed the reporting threshold set forth in Section II.C Exemption Level must file the TIC Form SLT report. Firms can have one or more roles, and therefore must check one or both of the two boxes in the top-center section of the cover page of each report filed. All data reported by the firm should be consolidated and reported together on the SLT form.

1. U.S-resident custodians include the following:

   a. U.S.-resident custodians (includes Prime Brokers) must report:
      - all U.S. securities that they hold in custody (or manage the safekeeping of) for the accounts of foreign residents (including their own foreign branches, subsidiaries, and affiliates)
      - all foreign securities they hold in custody (or manage the safekeeping of) for the accounts of U.S.-resident issuers or U.S.-resident end-investors; and
      - all foreign securities they hold for their own account (even if the foreign securities are then transferred to a foreign-resident custodian for safekeeping).
      - In addition, they must report all cross-border transactions in reportable securities during the month and the change in fair (market) value that occurred during the month.

   b. U.S.-resident central securities depositories, must report
      - all U.S. securities they hold in custody (or manage the safekeeping of) directly on behalf of foreign residents with which they have established direct relationships, including foreign-resident brokers, dealers, exchanges, and central securities depositories.
      - In addition, they must report all cross-border transactions in reportable securities during the month and the change in fair (market) value that occurred during the month.

2. U.S.-resident issuers include the following:

   U.S.-resident issuers must report all securities issued by the U.S.-resident units of their entity directly to foreign residents, including:
      - Registered securities that are owned by foreign residents for which neither a U.S.-resident custodian nor a U.S.-resident central depository is used (transfer or paying agents should be able to provide the U.S. -resident issuer this information);

- Book-entry securities that are held at a foreign-resident central securities depositories;
- Bearer securities; and
- Shares or other units or other equity interests issued directly to or placed with foreign residents (e.g.: a U.S.- based master fund issues shares to foreign feeder funds; limited partners' interests in limited partnerships).

In addition, they must report all cross-border transactions in reportable securities during the month and the change in fair (market) value that occurred during the month.

3. U.S.-resident end-investors in foreign securities include the following:

U.S.-resident end-investors have an obligation to report only if they do not use a U.S.-resident custodian. Collectively, such investors are referred to as "end-investors" throughout these instructions.

End-investors must report all investments in foreign securities for their own portfolio or for the portfolios of their U.S. clients that are not held by U.S.-resident custodians. These securities include those that are held-for-trading, available-for-sale, held-for-maturity, or which have been invested on behalf of others such as by managers of mutual funds, insurance companies, and pension funds as well as investment managers/advisors and fund sponsors. In addition, they must report all cross-border transactions in reportable securities during the month and the change in fair value that occurred during the month.

End-investors include, but are not limited to:

c. Financial and non-financial organizations;

d. Managers of private and public pension funds;

e. Managers of mutual funds, country funds, unit-investment funds, exchange- traded funds, collective investment trusts, private funds, fund of one (see section II.G.1 below), limited partnerships (see section II.G.2 below), trusts, managed accounts and asset pools, or any other similarly pooled, commingled funds. Also, investment managers/advisors, principal trading firms (PTF), prime brokers, fund administrators, and fund sponsors of private equity companies, venture capital companies, hedge funds, private funds, and other private investment vehicles.

f. Insurance companies;

g. Foundations;

h. Institutions of higher learning (i.e., university endowments);

i. Trusts and estates; and

j. Funds and similar entities that own shares or units of, or other equity interests in a foreign related or non-related entity (For example: A U.S.-based feeder fund owning shares of an offshore-based master fund).

IMPORTANT: In general, it is important that every reportable cross-border ownership of long-term securities be reported by one and only one entity. In cases where each

individual end- investor does not meet the reporting thresholds but the manager who manages them all meets the threshold in the aggregate, then the manager has the responsibility to report (as end-investor). Reporting (as end-investor) is the responsibility of the manager of a fund, partnership, trust, etc., if they have discretion over investments of the fund/partnership/trust/etc... In that case the actual end-investor(s) should not report so that there is no double counting in the overall TIC data system. If a situation is unclear, please contact the Federal Reserve Bank of New York.

If a reporting organization is an issuer and/or end-investor and a custodian (as described above), the reporting institution should file all their data together on one report. (See Section III)

B. Consolidation Rules (new appendix A has flowcharts showing consolidation rules.)

For purposes of this report, U.S.-resident entities, including bank holding companies (BHC) financial holding companies (FHC) and intermediate holding companies (IHC) should consolidate all their subsidiaries including their international banking facilities (IBF), except for foreign-resident offices and subsidiaries, in accordance with U.S. GAAP. All other U.S.-resident entities that are not 50 percent or more owned by another U.S.-resident company, including BHCs, FHCs and IHCs, should include all reportable securities for U.S.-resident parts of their organizations, including U.S.-resident branches and subsidiaries.

U.S. residents include entities organized under the laws of the Commonwealth of Puerto Rico or the U.S. territories. Please see the TIC Glossary for the complete definition of United States. It is the responsibility of the U.S. parent entity in each organization to ensure that its report includes all applicable entities within its organization.

U.S.-resident trusts, variable interest entities (VIEs), and special purpose entities (SPEs) consolidated under U.S. GAAP should be consolidated. Equity interests in U.S.-resident funds that are managed by the reporting entity should be included unless U.S.-resident custodians other than the reporting entity are used.

U.S. 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. 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.

Investment advisors and managers should file one consolidated report of the holdings and issuances of all U.S.-resident parts of its own organization, and of all U.S.-resident entities that they advise/manage.

C. Exemption Levels and Reporting Frequency

The TIC Form SLT report exemption level is applied to the consolidated reportable holdings and issuances (positions) of reporting entities, which are U.S.-resident custodians, U.S.-resident issuers of U.S. securities, and U.S.-resident end-investors in foreign securities. For each reporting entity, the consolidated total of all reportable long-term U.S. and foreign

securities has a total fair value equal to or more than the exemption level on the last business day of the reporting month. The exemption level is $1 billion. The consolidated total includes amounts held for a reporting entity's own account and for customers. The reporting entity should include reportable securities for only all U.S.-resident parts of the reporting entity, including all U.S. subsidiaries and affiliates of the reporting entity and investment companies, trusts, and other legal entities created by the reporting entity. U.S.-resident entities include the affiliates in the United States of foreign entities. Reportable long-term securities include:

- U.S. securities whose safekeeping U.S.-resident custodians manage on behalf of foreign residents;
- foreign securities whose safekeeping U.S.-resident custodians manage on behalf of U.S. residents;
- U.S. securities that are issued by U.S.-resident issuers in the foreign market and are held directly by foreign residents, i.e., where no U.S.-resident custodian or U.S.-resident central securities depository is used by the U.S.- resident issuer; and
- foreign securities that are held directly by U.S.-resident end-investors, i.e., where no U.S.-resident custodian is used.

Once the consolidated total of all reportable long-term U.S. and foreign securities for a reporting entity has a total fair market value equal to or more than the exemption level on the last business day of a reporting month, the reporting entity must submit a report for that month. In addition, the reporting entity also must submit a report for each remaining month in that calendar year, regardless of the consolidated total of reportable securities held in any subsequent month.

D. Accounting, Valuation, and Currency Conversion Rules

1. Valuation of Securities Holdings (Fair Market Value)

   Report the fair market value of securities holdings as of the last business day of the month. If securities are not denominated in U.S. dollars, convert the foreign currency denominated fair values into U.S. dollars using the spot exchange rate as of close of business on the last business day of the month. The fair value follows the definition of ASC 820 (formerly FAS 157). Firms should, at a minimum, report the fair value to the extent that it is available, even if the price available is for a date prior to the last business day of the month. If there are questions about valuation, please contact the Federal Reserve Bank to which you report or the Federal Reserve Bank of New York staff at (212) 720-6300 or (646) 720-6300.

2. Settlement Date Accounting for Holdings and Transactions.

   All securities holdings and transactions should be reported using settlement date accounting. Gross long positions should be reported. Do not net any short positions from long positions. Do not enter decimals or negative values.

E. Reporting the Location of Foreign Counterparties

1. Countries, Other Geographic Areas, and Organizations

Positions and transactions with foreigners should be reported for the country or geographical area in which the foreign-resident holder of U.S. securities resides and the country or geographical area in which the foreign-resident issuer of foreign securities resides. (Certain international and regional organizations also have codes assigned to them.) Do not report positions and transactions based on the currency of denomination of the instrument, the country of the parent organization 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.-resident banks located outside the U.S. are foreign residents. U.S.-resident branches of foreign banks are U.S. residents.

2. Country Unknown

   The country unknown category is intended to capture securities that cannot be allocated to a particular country. Include in "Country Unknown" securities for which the holder (and hence, the country of residence) is not known. Certificated bearer bonds and global receipts should be reported in "Country Unknown" if the holder is unknown. If, however, bearer global receipts or other global securities are held by a central securities depository (CSD), directly or through an affiliated nominee company, then report the country of residence of the CSD or the nominee company that is the holder of record.

3. Determining Residency

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

   a. International and Regional Organizations (see Appendix D) are residents of the International and Regional Organizations areas, not the countries in which they are located. Note: Pension plans of international and regional organizations, if located in the United States, are U.S.-resident entities; therefore, any U.S. securities owned by these pension plans should be excluded from this report.

      Exception- Positions and transactions 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.

   b. 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.

   c. Banks, BHCs, FHCs, IHCs, 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).

   d. Bank branches are residents of the country in which they are licensed (not the country of the head office).

   e. Offices of foreign official institutions and embassies are residents of their parent country.

f. Individuals are residents of the country in which they are domiciled.

g. Entities or individuals that file an IRS Form W-8, indicating that they are foreign residents, are treated as such. Please note that there may be exceptions (such as Puerto Rico). However, if an IRS form is not available, the mailing address can be used to determine residency.

F. <u>What Must Be Reported (appendix A has flowcharts showing reporting responsibilities)</u>

1. The TIC Form SLT report collects monthly data on cross-border ownership, valuation changes in fair value due to price, and transactions (i.e. a firm's own and their client's purchases, sales, redemptions, repayments of ABS principal, and new issues of securities with foreign residents) by U.S. and foreign residents of long-term (original maturity of more than one year or no contractual maturity) securities for portfolio investment purposes. If the investment is not direct investment, then it will fall into the category of portfolio investment and needs to be reported as part of the TIC system. (See TIC Glossary for definitions of portfolio investment and direct investment. Exceptions to direct investment exclusions, is described in section II.F.2.i below.)

2. <u>Reportable long-term portfolio securities include:</u>

   a. Securities issued by U.S. residents that are owned by foreign residents, including U.S. equities, U.S. debt securities, U.S. asset-backed securities, and U.S. equity interests in funds.

      Securities are considered to be owned by foreign residents if, according to the reporter's records, the holder of record is not a resident of the United States. In addition, all outstanding bearer bonds are considered to be owned by foreign residents and should be reported by the U.S.-resident issuer. Bearer bonds should also be reported by U.S.-resident custodians, but only if the reporter's records indicate a foreign-resident owner, foreign-resident custodian, or foreign-resident central securities depository.

   b. U.S.-resident holdings of foreign securities, including foreign equities, foreign debt securities and foreign asset-backed securities.

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

      Exception: Foreign securities held by a U.S. depository to back depositary receipts/shares should not be reported. Instead, the holders of the depositary receipts/shares should report the receipts/shares. This exception is necessary to identify the portion of depositary receipts/shares actually held by U.S. residents, since many depositary receipts/shares are held by foreign residents.

Reportable securities may be traded or issued in the United States and in foreign countries, and may be denominated in any currency, including Euros and U.S. dollars. Neither the country in which the securities are traded or issued, nor the currency in which the securities are denominated, is relevant in determining whether the securities are reportable.

c. Reportable long-term securities include, but are not limited to:
   - Equity Interests:
     - Common stock;
     - Preferred stock (participating and nonparticipating preference shares);
     - Restricted stock;
     - Depositary receipts/shares (See Section II.G);
     - Equity interests in funds and equivalent investment vehicles (See Section II.G);
     - Limited partnership interests and equity interests in other entities that do not issue shares/stock; and
     - All other equity interests, including privately placed interests and interests in private equity companies and venture capital companies, and certain private funds (see section II.F.2.i below.)
   - Long-term Debt Securities:
     - Debt, registered and bearer, including bonds and notes (unstripped and stripped) and bonds with multiple call options;
     - Convertible bonds and debt with attached warrants;
     - Zero-coupon debt and discount notes;
     - Index-linked debt securities (e.g., property index certificates);
     - Asset-backed securities (ABS);
     - Floating rate notes (FRN), such as perpetual notes (PRN), variable rate notes (VRN), structured FRN, reverse FRN, collared FRN, step up recovery FR (SURF), and range/corridor/accrual notes;
     - U.S. Treasury securities, including Bonds, Notes, TIPS, FRNs and Savings Bonds (Treasury bills and certificates are excluded from SLT; these are short-term securities and reportable in TIC Form BL-2); and
     - All other long-term debt securities.

d. The following items/types of securities are specifically excluded:
   - Short-term securities with **original maturity** of one year or less. Bank holding companies, depository institutions and brokers and dealers report these on the TIC B series forms and all other entities report these on TIC Form CQ-1. In addition, these are also reported on the TIC SHC (A) and TIC SHL (A) forms.
   - Bankers' acceptances and trade acceptances
   - Financial Derivative contracts (including forward contracts to deliver securities) meeting the definition of a derivative under ASC 815 (formerly FAS 133). (Reportable only on the TIC Form D).

- Loans and loan participation certificates
- Letters of credit
- Precious metals, (e.g., gold, silver) and currencies held in the reporter's vaults for foreign residents.
- Bank deposits, including time deposits, short-term and long-term negotiable certificates of deposit, and demand deposits
- Annuities, including variable rate annuities
- Direct Investments, with some exceptions (see the TIC Glossary (appendix E) for the complete definition). For example, there is an exception (for certain private funds) to the Direct Investment exclusion. Please review the definition of Direct Investment in the TIC glossary and the list of excluded investments in these instructions to determine which investments are direct investments reportable to the Bureau of Economic Analysis of the Department of Commerce, and not reportable on the TIC SHC (A) and the TIC SLT report.
- Securities taken in as collateral and securities received in repurchase/resale (reverse repurchase) agreements and security lending agreements. These transactions are considered borrowings collateralized (in the sense of economic ownership) by the underlying securities. Banks and broker/dealers and other financial entities should report the funds from these loans on the TIC B series forms; other entities should report these on TIC Form CQ-1.

3. Purchases and Sales by U.S. residents

   Reportable transactions are those of U.S.-residents directly with foreign residents. Transactions are reported from the point of view of the U.S. resident, and cover purchases (including redemptions and repayments of ABS principal) and sales (including new issues) of long-term securities. A transaction is the transfer of assets whereby the seller surrenders control over those securities to the buyer for currency. The accounting for transfers of financial assets are set forth by U.S. GAAP (FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", (FAS 140)).

   a. Report Gross Amounts of Transactions

      Report the gross amount of funds (or assets) transferred to execute the transaction. Thus, purchase amounts reported should reflect the cost of the securities acquired, including brokerage charges, taxes, and any other expenses incurred by the purchaser. Sales amounts reported should reflect the proceeds of the sales less brokerage commissions and other applicable charges.

   b. Valuation Rules for Transactions

      Amounts reported should reflect the cost at time-of-settlement and should not be revalued to reflect price changes during the month. Payments denominated in foreign currencies should be converted to the U.S. dollar equivalent value using the spot exchange rate at the close of business on the day of settlement.

   c. Periodic Principal Repayments on Asset-Backed-Securities (ABS)

The payments of principal, sometimes monthly, to foreign holders of U.S. ABS are redemption-like transactions and are reportable in the columns for US-Purchases-of-US-Securities (e.g. in columns 10, 14, 18 and 22 of the form). End-of-month holdings data, as in the current SLT form, will reflect the lower value of holdings after accounting for the repayments.

d. Reporting New Issuances

a. Public Offerings

b. Private Offerings- Any depository institution, broker or dealer, or other person resident in the United States acting in its own behalf or on behalf of its customers as an intermediary should report the private placement of: (1) U.S. securities with foreign investors; or (2) foreign securities with United States investors.

4. <u>Valuation: Changes in Fair Value Due to Price</u>

Report the portion of the total change in the fair market value of holdings between the prior and current as-of dates that result only from changes in the prices of the securities held. If securities are not denominated in U.S. dollars, convert the foreign currency denominated fair values into U.S. dollars using the spot exchange rate as-of close of business on the last business day of the month. Report the changes in fair market value due to price for securities that were included for both the prior and current as-of dates. In the report also include both the changes in fair market value due to price for the securities that were held at the beginning of the month but were disposed before the end of the month, and the changes in fair market value due to price for the securities that were added during the month and remain at the end of the month. Please enter a net increase in fair market value due to price as a positive number and enter a net decrease in fair market value due to price as a negative number.

a. Examples for SLT reporting on U.S. securities held by foreign residents.

Case (a): Reporting U.S. corporate bonds held by private foreign residents (SLT columns 21-24, the grand total row), where all purchases and sales are with U.S. residents. For (i) securities held for the whole month, compute the holding values at the current as-of date less the holding values at the prior as-of date, and report the result as the valuation change due to price; (ii) for securities held at the beginning of the month but not held at end-month (i.e. primarily securities that were sold, redeemed, or transferred out with a departing foreign client of the reporting entity during the month), the valuation change is the difference between the sale value (reported in the SLT column for U.S. purchases) during the month less the holding value at the beginning of the month; and (iii) for securities held at end-month that were not held at the beginning of the month (i.e. primarily securities that were purchased, issued, or transferred in with a new foreign client during the month), the valuation change is the end-month holding value less the purchase value (reported in the U.S. sales column) during the month.

For example, suppose the total value of holdings of a bond portfolio was $100 million at the end of the prior month and $112 million at the end of the current

month; the holdings of bond A held throughout the month was $80 million in the prior month and $88 million at the end of the current month, so the valuation change due to price was $8 million; holdings of bond B valued at $20 million in the prior month were sold for $21 million during the month, so the valuation change due to price was $1 million; and holdings of bond C purchased during the month for $22 million had a value of $24 million at end-month, so the valuation change due to price was $2 million. The grand totals for this portfolio were $112 million in column 21, $21 million in column 22, $22 million in column 23, and $11 million (8+1+2) in column 24.

Case (b): SLT report for country A, where a reporting entity's foreign client purchases a security mid-month (this "value of purchase" is reported in the U.S. sales column), the security increases in value by the end of the month, and the end-month value is reported in the holdings column. The difference between the end-month value and the purchase value is captured in the valuation column. For example, if a U.S. security was purchased mid-month at $50 million and by end-month the value went up to $75 million, the U.S. sales column would show $50 million, the valuation-change-due-to-price column would show $25 million, and the holdings column would show $75 million.

Case (c): SLT report for country A, where the reporting entity took on a new foreign client mid-month (or an existing foreign client purchased a security from a foreign resident in another country, an amount also not reportable in the SLT purchases/sales columns) and the value of the security increased by end-month. The reporting entity would have the value of the mid-month acquisition, so the entity would report the end-month value less the value at acquisition as the valuation-change-due-to-price. For example if the reporting entity takes on a client with $50 million in U.S. securities (or an existing client purchases securities for $50 million from another country) and the value at the end of the month is $75 million, the holdings column would show $75 million and the reporting entity would report the $25 million valuation change in the valuation-change-due-to-price column, even though the reporting entity reports nothing in the U.S. sales column.

Case (d): An ABS principal repayment. Suppose the central bank of country A held $50 million in a U.S. agency asset-backed-security (ABS) at the beginning of the month, and during the month there was a U.S. repayment of principal of $2 million. The SLT report on country A would include $48 million in column 9 and $2 million in column 10. The SLT report for the prior month would have shown $50 million in column 9.

Case (e): Country A sells a security to another country, and also purchases a different security from the U.S. Suppose a privately-held U.S. corporate bond, Security #3 (S#3), was valued at $100 million at the beginning of the month, its valuation rose to $101 at the end of the first week, and it was then sold for $102 million to country C. Suppose a different U.S. corporate bond (S#4) was purchased for $110 million from a U.S. resident in the third week, but afterward its value declined by $3 million to $107 million at end-month. The SLT Report for country A would be the accumulation of the following data for each security: for S#3 include

zero in column 21. Do not report the $102 million sale to country C because that was an excluded foreign-to-foreign transaction. Report $2 million in column 24 for the increase in price at the sale to country C; for S#4 include $107 million in column 21, $110 million in column 23, and negative $3 million in column 24. After accumulating the individual securities, enter on the SLT form $107 million ($0 + $107) in column 21, $110 million in column 23, and negative $1 million ($2-$3) in column 24.

b. Examples for SLT reporting on foreign securities held by U.S. residents.

Case (fa): Reporting foreign corporate bonds held by U.S. residents (SLT columns 37-40, the grand total row), where all purchases and sales are with foreign residents. For (i) securities held for the whole month, compute the holding values at the current as-of date less the holding values at the prior as-of date, and report the result as the valuation change due to price; (ii) for securities held at the beginning of the month but not held at end-month (i.e. primarily securities that were sold, redeemed, or transferred out with a departing U.S. client of the reporting entity during the month), the valuation change is the difference between the sale value (reported in the SLT column for U.S. sales) during the month less the holding value at the beginning of the month; and (iii) for securities held at end-month that were not held at the beginning of the month (i.e. primarily securities that were purchased, issued, or transferred in with a new U.S. client during the month), the valuation change is the end-month holding value less the purchase value (reported in the U.S. purchases column) during the month.

For example, suppose the total value of holdings of a bond portfolio was $100 million at the end of the prior month and $112 million at the end of the current month; the holdings of bond A held throughout the month was $80 million in the prior month and $88 million at the end of the current month, so the valuation change due to price was $8 million; holdings of bond B valued at $20 million in the prior month were sold for $21 million during the month, so the valuation change due to price was $1 million; and holdings of bond C purchased during the month for $22 million had a value of $24 million at end-month, so the valuation change due to price was $2 million. The grand totals for this portfolio were $112 million in column 37, $22 million in column 38, $21 in column 39, and $11 million (8+1+2) in column 40.

Case (fb): SLT report, where a reporting entity's U.S. client purchases mid-month from country B, a security issued by country C (this "value of purchase" is reported in the U.S. purchases column on the row for country C), the security increases in value by the end of the month, and the new value is reported in the holdings column. The difference between the new value and the purchase value is captured in the valuation column. For example, if the foreign security was purchased mid-month at $50 million and by end-month the value went up to $75 million, the SLT report would show the following on the row for country C: $50 million in the U.S. purchases column, $25 million in the column for valuation-change-due-to-price, and $75 million in the holdings column.

Case (fc): SLT report, where the reporting entity took on a new U.S. client mid-month and the value of the client's foreign securities increased by end-month. The reporting entity would have the value information for the mid-month acquisition, so the entity would report the end-month value less the value at acquisition as the valuation-change-due-to-price. For example if the reporting entity takes on a client with $50 million in foreign securities issued by country D and the value at the end of the month is $75 million, the reporting entity would report the following on the row for country D: $75 million in the holdings column and the $25 million valuation change in the valuation-change-due-to-price column. Nothing is reported in the U.S. purchases column.

Case (fd): A U.S. resident sells a foreign security to another country, and also purchases a different foreign security from a different country. Suppose a foreign corporate bond issued by country F, Security #3 (S#3), was valued at $100 million at the beginning of the month, its valuation rose to $101 million at the end of the first week, and it was then sold for $102 million to country G. Suppose a foreign stock issued by country H (S#4) was purchased for $110 million from a foreign resident in the third week, but afterward its value declined by $3 million to $107 million at end-month. The SLT Report would report the following data: for S#3, the row for country F would include zero in column 37, $102 million in the U.S. sales column 39, and $2 million in column 40 for the increase in price at the sale to country G; for S#4, the row for country H would include $107 million in column 41, $110 million in column 42, and negative $3 million in column 44.

5. Custodial Accounting Events specifically excluded from: SLT purchases and sales; and from SLT net changes in fair value due to price. (However almost all these items are included in the value of portfolio holdings of long-term securities.)

   The following types of Custodian Accounting Events are specifically excluded from: (1) SLT purchases and sales (in part 3 above); and SLT valuation changes in fair value due to price (in part 4 above). [Note however: many of these events are included in the SLT positions data on holdings of long-term securities in part 2 above.]

   a. transfers of new long-term securities INTO or OUT of custodian's database as a result of addition or departure of clients;
   b. interest and earnings added to holdings of long-term securities;
   c. interest and earnings paid out of holdings of long-term securities;
   d. fees, penalties, other charges deducted from holdings of long-term securities;
   e. offshore transactions between foreign residents;
   f. debt cancellation and write-off;
   g. change from a portfolio holding to a direct investment holding;
   h. change in the country-of-residence of a holder or an issuer of long-term securities.

G. HOW TO REPORT

1. Funds and Related Equity Holdings and Ownership

   Ownership of shares/units of or other equity interests in funds and investment trusts should be reported as equities. The determination of whether holdings or ownership of fund shares are a U.S. or foreign security is based on the country, in which the fund is legally established, not based on the residence of the issuers of the securities the fund purchases or the type of securities the fund purchases. For example, if a foreign resident owns equity interests in a fund organized in New York, these interests are reportable U.S. securities, regardless of whether the fund purchases foreign securities. Conversely, foreign-resident ownership of interests in "offshore" or other foreign-resident funds that purchase U.S. securities should not be reported.

   a. Funds include all investment vehicles that pool investors' money and invest the pooled money in one or more of a variety of assets. Funds include but are not limited to:
      - Mutual funds (including closed-end and open-end mutual funds);
      - Money market funds;
      - Investment trusts;
      - Index-linked funds;
      - Exchange traded funds (ETFs);
      - Common trust funds;
      - Private Equity Funds;
      - Hedge funds; and
      - Certain Private funds (see direct investment exception in section II.F.2.i above).
      - Separately managed accounts
      - Real estate investment trusts (REITs)

   b. For purposes of this report, the following funds and related equity ownership should be reported:
      - Foreign-residents' ownership of shares/units of funds and investment trusts legally established in the United States (U.S.-resident funds)
      - Ownership of U.S. securities by foreign-resident funds
      - Hedge funds and other alternative investments

2. Investment advisors, managers or similar types of legal entities that create master-feeder funds both outside and inside the U.S.

   Investment advisors, managers or similar types of legal entities that create master-feeder funds both outside and inside the U.S. should report any investments between the U.S. and foreign-resident affiliate funds that the investment manager sets up; these investments are portfolio investments and should be reported in the TIC system.

   a. Example G.3.1

      A U.S. investment manager creates a Cayman Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. If there are no exceptions as indicated in the definition of direct investment, investments between the U.S. manager and the Cayman funds

are direct investment since the investment manager controls them. However, the investment that the U.S. feeder fund has in the Cayman Master Fund is portfolio investment and should be reported in the TIC system. Therefore, purchases and sales of the master fund shares by the U.S. feeder fund and the U.S. feeder fund's investments in the foreign master fund should be reported by the U.S. feeder fund on the TIC SHC (A) and the TIC Form SLT report. If a U.S. custodian holds the foreign security, the U.S. custodian would have the reporting responsibility to report on the TIC SHC (A) and the TIC Form SLT report.

b. Example G.3.2

A U.S. investment manager creates a U.S. Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. As in the example 1, if there are no exceptions as indicated in the definition of direct investment, the investments between the U.S. manager and the foreign feeder fund are direct investments. However, the investment that the foreign feeder fund has in the U.S. master fund is portfolio investment and should be reported in the TIC system. The master fund should report the ownership of their shares by the foreign feeder fund and purchases and sales of the master fund shares by the foreign feeder fund as the issuer of the domestic security on the TIC SHL (A) and TIC Form SLT report. If a U.S. custodian holds the domestic security, the U.S. custodian would have the reporting responsibility to report on the TIC SHL (A) and TIC Form SLT report.

c. Example G.3.3

A foreign investment manager sets up a Cayman Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. If there are no exceptions as indicated in the definition of direct investment, the investments between the foreign manager and the U.S. feeder fund are direct investment since the foreign manager controls the feeder fund. However, the investment that the U.S. feeder fund has in the foreign master fund is portfolio investment and should be reported in the TIC system.

The U.S. feeder fund's investments in the master fund and the purchases and sales of the master fund shares by the U.S. feeder fund should be reported by the U.S. feeder fund as ownership of foreign equity on the TIC SHC (A) and TIC Form SLT report. If a U.S. custodian holds the foreign security, the U.S. custodian would have the reporting responsibility to report on the TIC SHC (A) and the TIC Form SLT report.

d. Example G.3.4

A foreign investment manager creates a U.S. Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. If there are no exceptions as indicated in the definition of direct investment, the investments between the foreign manager and the U.S. feeder fund are direct investments. However, the investment that the foreign feeder fund has in the U.S. master fund is portfolio investment and should be reported in the TIC system. The master fund should report the ownership of their shares by the foreign feeder funds as well as the purchases and sales of the master fund shares by the foreign feeder fund as the issuer of the domestic security on the TIC SHL (A) and TIC Form SLT report. If a U.S. custodian holds the domestic security,

the U.S. custodian would have the reporting responsibility to report on the TIC SHL (A) and TIC SLT Form.

Exclude any investment between the investment manager or other entity that formed the funds (as a general partner) and all the entities it creates. These are direct investments and should be reported to the Bureau of Economic Analysis.

Note: The descriptions of the various examples are based on common master/feeder fund structures. It is possible for there to be different types of structures when creating these funds and they may be called different names by some entities. Ultimately, if the investment is not direct investment, then it will fall into the category of portfolio investment and needs to be reported as part of the TIC system.

3. Fund ownership by Pension and Retirement Plans (including those of State and Local governments, including municipalities).

   As mentioned in section II.A.3 above, reporting is the responsibility of the manager of a fund, partnership, trust, etc., if they have discretion over investments of the fund/partnership/trust/etc... In that case the actual end-investor(s) should not report so that there is no double counting in the overall TIC data system.

   A pension plan holds foreign investments through (a) onshore funds (including funds of hedge funds) and (b) offshore funds (including funds of hedge funds). For the purposes of TIC, the requirement to report is based on the country in which the fund is legally established.

   a. The investments in onshore U.S funds (including funds of hedge funds) are investments in U.S.-resident entities and are therefore not reportable in TIC.
      The investments in offshore funds (including funds of hedge funds) are investments in foreign-resident entities, and are therefore reportable in TIC. Only the shares of the funds themselves are reportable (not their underlying investments), and only if the pension investments are portfolio investment. Such pension investments in offshore funds are reportable as equities in columns 41 to 45 opposite the countries of registration (residence) of the funds. Please review the definition of Direct Investment in the TIC glossary and the list of excluded investments in these instructions to determine which investments are direct investments reportable to the Bureau of Economic Analysis of the Department of Commerce, and not reportable on the TIC SHC (A) and the TIC SLT report. If a U.S. custodian holds the foreign portfolio interests in the offshore funds on behalf of the pension plans, the U.S. custodian would have the reporting responsibility to report on the TIC SHC (A) and the TIC Form SLT report.
      A foreign-resident pension fund is a legal entity established outside the United States to provide retirement benefits exclusively for foreign residents and is not required to file TIC reports. Investments by foreign-resident pension funds in U.S. securities are reportable by U.S.-resident custodians and fund managers as described elsewhere in the instructions for the TIC SLT and SHL(A).

4. Limited Partnerships

Foreign-resident limited partner ownership interests in U.S.-resident limited partnerships and U.S.-resident limited partner ownership interests in foreign- resident limited partnerships should be reported as equities. Limited partners' ownership interests usually do not carry voting rights; therefore, all ownership interests, even those greater than 10%, are considered portfolio interests, and are reportable in the TIC system.

Except for certain private funds (as described in section II.F.2.i above) General Partnership ownership interests are always considered to be direct investments and should be excluded from this report. These interests are reportable to the Bureau of Economic Analysis of the Department of Commerce (see Direct Investment in the TIC Glossary).

5. Securities Involved in Repurchase and Securities Lending Arrangements

A repurchase agreement (repo) is an arrangement involving the sale of securities at a specified price for cash with a commitment to repurchase the same or similar securities at a specified price on a future date. A reverse repo is an agreement whereby a security is purchased at a specified price with a commitment to resell the same or similar securities at a specified price on a specified future date. Securities lending/borrowing arrangements are agreements whereby the ownership of a security is transferred in return for collateral, usually another security or cash, under condition that the security or similar security will revert to its original owner at a future date. All these arrangements, as well as buy/sell agreements, should be treated as follows:

a. Securities sold under repurchase agreements or lent under securities lending arrangements, or collateral provided, should be reported by the original owner of the securities as if the securities were continuously held; that is, as if the repurchase or security lending agreement did not exist.

b. Securities, including collateral, temporarily acquired under reverse repurchase or borrowing or lending arrangements should not be reported.

c. However, if cash was temporarily received as collateral and was used to purchase securities, those securities should be reported.

6. Depositary Receipts/ADRs/Shares

Depositary receipts/shares, including American depositary receipts (ADRs) or bearer depositary receipts are certificates representing the ownership of securities issued by foreign residents. Issuers of depositary receipts/shares should not report their holdings of the actual, underlying, foreign securities. Only U.S.-residents' holdings of the depositary receipts/shares should be reported as holdings of foreign equities.

H. Submission of Reports

1. Reporting Dates/Deadlines

Data on the TIC Form SLT report must be reported as-of the last business day of the month (as-of date). The TIC Form SLT report must be submitted to the Federal Reserve Bank no later than the 23rd calendar day of the month following the report as-of date.

If the due date of the report falls on a weekend or holiday, the TIC Form SLT report should be submitted the following business day.

2. Where to Report

   Reporting entities that are banks, depository institutions, bank holding companies, financial holding companies or intermediate holding companies (BHCs/FHCs/IHCs) should file their reports with the Federal Reserve Bank of the District in which the reporting entity is located, unless instructed otherwise by their District Federal Reserve Bank. All other reporting entities should file their reports with the Federal Reserve Bank of New York (FRBNY), regardless of where they are located.

3. How to Report

   TIC Form SLT report must be submitted electronically by using the Federal Reserve System's "Reporting Central" electronic submission system. It is easy to use, secure, provides confirmation of the receipt of the data, and performs a number of validity checks of your file format.

   For more information on how to submit data using Reporting Central contact the TIC SLT staff at (212) 720-6300 or (646) 720-6300. Alternatively, additional information for Reporting Central can be obtained at:
   https://www.frbservices.org/centralbank/reportingcentral/

4. Signature Requirements

   The signature page of the TIC Form SLT must be retained by the reporter.

5. Reporter ID Number

   Each reporting entity has been assigned a "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 you file.

6. Data Retention

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

7. Review of Data and Request for Revised Data

   Data submitted on this Treasury International Capital (TIC) form are reviewed by the Federal Reserve Bank. As a result of this review, the respondent may be asked by the Federal Reserve Bank's staff to provide supplemental information, including reasons for significant data changes between reporting periods, or submit revisions as necessary.

III. Column by Column Instructions (all amounts should be reported in $millions

Cover Page of the Form SLT.

Firms can have one or more roles, and therefore must check one of the two boxes in the top-center section of the cover page of each report filed. If a firm files under both roles, then both boxes must be checked, and all data reported on a single SLT form. All data reported by the firm should be consolidated and reported together on the SLT form.

1. Box entitled "Report filed as a U.S. RESIDENT- CUSTODIAN"

   A custodian's report should include only those long-term securities held in custody by the reporting entity.

2. Box entitled "Report filed as a U.S. RESIDENT ISSUER AND/OR END-INVESTOR"

   The report by an issuer and/or end- investor should include all other long-term securities positions. An issuer's report includes only all long-term securities that the reporting entity has issued directly into the foreign market and are held directly by foreign residents, that is, where neither a U.S.-resident custodian nor U.S.-resident central securities depository is used by the reporting entity. An end-investor's report includes only foreign securities the reporting entity holds as an end-investor, that is, where neither a U.S.-resident custodian nor U.S.-resident central securities depository is used by the reporting entity.

A. Holdings Of Long-Term U.S. Securities Owned By Foreign Residents (Columns 1, 5, 9, 13, 17, 21, 25, And 29)

The fair (market) value of long-term U.S. securities owned by foreign residents for portfolio investment purposes should be reported according to the type of security and type of foreign holder of record. Columns 1, 9, 17 and 25 should be used to report when the holders of record are foreign official institutions (FOIs) and Columns 5, 13, 21 and 29 should be used to report when the holders of record are not FOIs, i.e., all other foreigners.

B. Holdings Of Long-Term Foreign Securities Owned By U.S. Residents (Columns 33, 37, And 41)

The fair (market) value of long-term foreign securities owned by U.S. residents for portfolio investment purposes should be reported according to the type of security. Foreign Bonds should be also be reported by type of foreign issuer. Column 33 should be used to report when the foreign issuer is a foreign government and Column 37 should be used to report when the foreign issuer is not a foreign government

C. By Type Of Foreign Holder

1. Foreign Official Institutions (FOIs) (Columns 1, 9, 17 and 25)

   Report the fair (market) value of long-term U.S. securities owned by Foreign Official Institutions, which include national governments, international and regional organizations, and sovereign wealth funds. Please refer to the Department of the

Treasury document, "Partial List of Selected Foreign Institutions Classified as 'Official' For Purposes of Reporting on the Treasury International Capital (TIC) Forms" (See Appendix D). FOIs include foreign government embassies, consulates, and similar diplomatic offices that are located in the U.S. If you are unsure of the FOI status of an entity not on the list, please contact your TIC Form SLT report analyst.

2. All Other Foreigners (Columns 5, 13, 21 and 29)

   Report the fair (market) value of long-term U.S. securities owned by all other foreign residents for portfolio investment purposes. All other foreigners (non-FOIs) are all foreign-resident entities that do not meet the definition of a Foreign Official Institution. These foreign-resident entities include banks, securities brokers and dealers, departments and agencies of foreign state, provincial, and local governments, foreign government-sponsored businesses, other foreign financial and non-financial businesses, and foreign individuals (natural persons). Include in these columns holdings of foreign affiliated banking offices and nonbanking offices and subsidiaries of the reporter.

D. By Type of Security

1. U.S. Treasury and Federal Financing Bank Bonds and Notes (Columns 1 and 5).

   Report the fair (market) value of long-term securities (bonds and notes) issued by the U.S. Department of the Treasury and the Federal Financing Bank held for the accounts of foreign residents. Include Separate Trading of Registered Interest and Principal Securities (STRIPS), 'teddy bears' (TBRs), 'tigers' (TIGRS), 'cats' (CATS) and 'cougars' (COUGRs) should also be classified as U.S. Treasury securities, and other instruments that are collateralized by the U.S. Treasury and Federal Financing Bank issues.

2. Bonds of U.S. Government Corporations and Federally Sponsored Agencies (Columns 9 and 13).

   Report the fair (market) value of long-term securities (bonds, notes, debentures, and asset-backed securities) issued by or guaranteed by United States Government corporations or Federally- sponsored agencies. A list of U.S. Agencies is available the TIC Glossary.

3. U.S. Corporate and Other Bonds (Columns 17 and 21).

   Report the fair (market) value of long-term debt obligations of U.S. states and local governments, including municipalities, and of private companies organized under the laws of the United States and all other issuers of U.S. debt securities. Examples of long-term debt securities are bonds, notes, debentures, asset-backed securities, mortgage-backed securities, and all other asset-backed securities), covered bonds and perpetual bonds.

4. U.S. Equities (Columns 25 and 29)

   Report the fair (market) value of long-term equities, including common stock, preferred stock, and fund shares, issued by entities resident in the United States.

5. Foreign Securities Owned by U.S. Residents (Columns 33, 37 and 41)

Ownership of long-term foreign securities by U.S. residents for portfolio investment purposes should be reported according to the type of security.

6. Foreign Government Bonds (Column 33)

   Report the fair (market) value of long-term debt securities (bond, notes, debentures, and asset-backed securities) issued by foreign central governments, international and regional organizations, and foreign official institutions.

7. Foreign Corporate and Other Bonds (Column 37)

   Report the fair (market) value of long-term securities issued by public and private corporations and entities resident outside the United States. Include in this column securities issued by departments and agencies of foreign state, provincial and local governments, and foreign government-sponsored corporations.

8. Foreign Equities (Column 41)

   Report fair (market) value of long-term equities issued by public and private corporations and other entities resident outside the United States. Include in this column holdings of American Depositary Receipts (ADRs).

E. Changes Due to U. S. Purchases and Sales of U.S. Securities (Columns 2, 3, 6, 7, 10, 11, 14, 15, 18, 19, 22, 23, 26, 27, 30, And 31)

Report the fair (market) value of all gross U.S. purchases and sales of long-term U.S. securities by type of security and type of holder during the report month for securities whose holdings are reportable in columns 1, 5, 9, 13, 17, 21, 25, and 29. U.S. sales include new issuances of U.S. securities; U.S. purchases include redemptions of U.S. securities by foreign residents.

1. Columns 2 and 3

   Report U.S. purchases from (column 2) and sales to (column 3) Foreign Official Institutions of long-term debt securities (bonds and notes) issued by the U.S. Department of the Treasury and the Federal Financing Bank (See TIC Glossary entry for U.S. Treasury securities). Include STRIPS Separate Trading of Registered Interest and Principal Securities (STRIPS), 'teddy bears' (TBRs), 'tigers' (TIGRs), 'cats' (CATS) and 'cougars' (COUGRs) should also be classified as U.S. Treasury securities and other instruments that are collateralized by U.S. Treasury and Federal Financing Bank issues.

2. Columns 6 and 7

   Report U.S. purchases from (column 6) and sales to (column 7) All Other Foreigners of long-term debt securities (bonds and notes) issued by the U.S. Department of the Treasury and the Federal Financing Bank (See TIC Glossary entry for U.S. Treasury securities). Include STRIPS Separate Trading of Registered Interest and Principal Securities (STRIPS), 'teddy bears' (TBRs), 'tigers' (TIGRs), 'cats' (CATS) and 'cougars'

(COUGRs) should also be classified as U.S. Treasury securities and other instruments that are collateralized by U.S. Treasury and Federal Financing Bank issues.

3. Columns 10 and 11

   Report U.S. purchases from (column 10) and sales to (column 11) Foreign Official Institutions of long-term debt securities (bonds, notes, debentures and asset-backed securities (mortgage-backed securities and all other asset-backed securities)) guaranteed by, or are the obligation of United States Government corporations or Federally-Sponsored Agencies (See TIC Glossary entry for United States Government Agency securities).

4. Columns 14 and 15

   Report U.S. purchases from (column 14) and sales to (column 15) All Other Foreigners of long-term debt securities (bonds, notes, debentures and asset-backed securities (mortgage-backed securities and all other asset-backed securities)) guaranteed by, or are the obligation of United States Government corporations or Federally-Sponsored Agencies (See TIC Glossary entry for United States Government Agency securities).

5. Columns 18 and 19

   Report U.S. purchases from (column 18) and sales to (column 19) Foreign Official Institutions of long-term debt obligations of U.S. states and municipalities and of private corporations located in the United States and all other issuers of U.S. debt securities not included in columns 1 through 16. Examples of long-term debt securities are bonds, notes, debentures, asset-backed securities (mortgage-backed securities and all other asset-backed securities), covered bonds and perpetual bonds.

6. Columns 22 and 23

   Report U.S. purchases from (column 22) and sales to (column 23) All Other Foreigners of long-term debt obligations of U.S. states and municipalities and of private corporations located in the United States and all other issuers of U.S. debt securities not included in columns 1 through 16. Examples of long-term debt securities are bonds, notes, debentures, asset-backed securities (mortgage-backed securities and all other asset-backed securities), covered bonds and perpetual bonds.

7. Columns 26 and 27

   Report U.S. purchases from (column 26) and sales to (column 27) Foreign Official Institutions of equity securities, including common stock, preferred stock, and fund shares, issued by entities resident in the United States. Examples of equity securities are common stock, preferred stock, and investment company shares (including open-end mutual funds, closed-end funds, and exchange-traded funds (such as SPDRS).

8. Columns 30 and 31

   Report U.S. purchases from (column 30) and sales to (column 31) All Other Foreigners of equity securities, including common stock, preferred stock, and fund shares, issued by entities resident in the United States. Examples of equity securities are common

stock, preferred stock, and investment company shares (including open-end mutual funds, closed-end funds, and exchange-traded funds (such as SPDRS).

F. Changes Due to U.S. Purchases and Sales of Foreign Securities (Columns 34, 35, 38, 39, 42 And 43)

Report the fair (market) value of all gross U.S. purchases and sales of long-term foreign securities by type of security and type of issuer during the report month for securities whose holdings are reportable in columns 33, 37, and 41. U.S purchases include new issuances of foreign securities; U.S sales include redemptions of foreign securities by U.S. residents.

1. Column 34 and 35

   Report U.S. purchases from (column 34) and sales to (column 35) Foreign Residents of long-term foreign debt securities (bonds, notes, debentures and asset-backed securities) issued by foreign governments, international and regional organizations, foreign official institutions, and government-owned corporations resident outside the United States. Note that purchases and sales of long-term debt securities issued by international and regional organizations (such as the IMF and the IBRD) are included, even if these institutions are located in the United States.

2. Column 38 and 39

   Report U.S. purchases from (column 38) and sales to (column 39) Foreign Residents of long-term foreign debt securities (bonds, notes, debentures, and asset-backed securities) issued by all other foreign public and private corporations resident outside the United States.

3. Column 42 and 43

   Report U.S. purchases from (column 42) and sales to (column 43) Foreign Residents of equity issued by foreign public and private corporations and other entities resident outside the United States. Include in these columns U.S. purchases and sales of American Depositary Receipts (ADRs).

G. Changes In Valuation due to price (Columns 4, 8, 12, 16, 20, 24, 28, 32, 36, 40 And 44) (Ref section II.F.4)

Report the change in fair market value due to valuation that occurred between the prior and current as-of dates for all reportable securities. Report the change in fair market value for securities that were included in both the prior and current as-of date. Also report the change in fair (market) value due to valuation for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

1. Change in Valuation (column 4) Foreign Official Institutions' Holdings of U.S. Treasury and Federal Financing Bank Bonds and Notes.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 1. Report the change in fair market value for securities that were included in column 1 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

2. Change in Valuation (column 8) All Other Foreigners' Holdings of U.S. Treasury and Federal Financing Bank Bonds and Notes.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 5. Report the change in fair market value for securities that were included in column 5 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

3. Change in Valuation (column 12) Foreign Official Institutions' Holdings of Bonds Issued by U.S. Government Corporations and Federally Sponsored Agencies.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 9. Report the change in fair market value for securities that were included in column 9 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

4. Change in Valuation (column 16) All Other Foreigners' Holdings of Bonds Issued by U.S. Government Corporations and Federally Sponsored Agencies.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 13. Report the change in fair market value for securities that were included in column 13 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter

an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

5. Change in Valuation (column 20) Foreign Official Institutions' Holdings of U.S. Corporate and Other Bonds.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 17. Report the change in fair market value for securities that were included in column 17 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

6. Change in Valuation (column 24) All Other Foreigners' Holdings of U.S. Corporate and Other Bonds.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 21. Report the change in fair market value for securities that were included in column 21 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

7. Change in Valuation (column 28) Foreign Official Institutions' Holdings of U.S. Equities.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 25. Report the change in fair market value for securities that were included in column 25 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

8. Change in Valuation (column 32) All Other Foreigners' Holdings of U.S. Equities.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 29. Report the change in fair market value for securities that were included in column 29 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter

an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

9. Change in Valuation (column 36) Foreign Government Bonds Owned by U.S. Residents.

   Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 33. Report the change in fair market value for securities that were included in column 33 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

10. Change in Valuation (column 40) Foreign Corporate and Other Bonds Owned by U.S. Residents.

    Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 37. Report the change in fair market value for securities that were included in column 37 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

11. Change in Valuation (column 44) Foreign Equity Owned by U.S. Residents.

    Report the change in fair market value that occurred between the prior and current as-of dates for all securities reported in column 41. Report the change in fair market value for securities that were included in column 41 for both the prior and current as-of dates. Also report the change in fair (market) value for new securities that were added during the month to the holdings of securities at the end of the month (see section II.F.4). Also report the change in fair (market) value due to valuation for securities held at the beginning of the month but no longer held at the end of the month. Please enter an increase in fair market value as a positive number and a decrease in fair market value as a negative number.

IV. Instructions for the Of Which Rows

A. Of Which: By Type of Security

1. Asset-Backed Securities (8999-1)

   Report the portion of asset-backed securities (both mortgage-backed securities and all other asset-backed securities) reported in Columns 9 through 24 and 33 through 40.

2. Fund Shares (8401-8)

   Report the portion of fund shares and other portfolio equity interest in funds reported in Columns 25 through 32and 41 through 44.

B. Of Which: By Type of U.S. Issuer

Report the portion of "U.S. Corporate and Other Bonds" (Columns 17 through 24), "U.S. Equities" (Columns 25 through 32) that were issued by U.S.-resident depository institutions, other financial organizations, non-financial organizations, and state and local general governments and municipalities.

The type of issuer should be based on the primary business activities of the actual issuer of the securities, not on the activities of the top U.S. company in the consolidated organization.

1. Depository Institutions (8264-3)

   Report the portion of U.S. securities issued by U.S.-resident commercial banks and other depository institutions that are held by or issued to foreign residents in columns 17 through 32.

   U.S.-resident depository institutions include: U.S. commercial banks (national banks; state-chartered commercial banks; trust companies that perform commercial banking business); U.S. branches and agencies of foreign banks; U.S. industrial banks; and banking Edge Act and Agreement Corporations.

   Other U.S. depository institutions include: Building or savings and loan associations; homestead associations; cooperative banks; non-bank banks; credit unions; and mutual or stock savings banks. Include securities issued by credit unions sponsored by state and local governments, including municipalities.

2. Other Financial Organizations (8265-1)

   Report the portion of U.S. securities issued by other U.S.-resident financial organizations in columns 17 through 32. This category covers U.S. securities issued by U.S.-resident financial organizations, other than depository institutions, that are held by or issued to foreign residents. Examples of other financial organizations include, but are not limited to, broker/dealers, bank holding companies (BHCs), insurance corporations, financial holding companies (FHCs), intermediate holding companies (IHCs), money market funds, pension funds, investment banks, private equity companies, credit card issuers, hedge funds and trusts. Include securities issued by state, local and municipal pension, retirement, and insurance funds.

3. Non-Financial Organizations (8267-8)

   Report the portion of U.S. securities issued by U.S.-resident non-financial organizations, households, and nonprofit institutions serving households (NPISHs) that are held by or issued to foreign residents in columns 17 through 32. Non- financial organizations are organizations whose principal activity is the production of goods or non-financial services. Examples include, but are not limited to corporations, partnerships, enterprises, and nonprofit institutions that produce goods or non-financial services. Include securities issued by agencies and instrumentalities of state, local and municipal governments, such as government-owned utilities, hospitals, and parking authorities, that provide goods or non-financial services that are not strictly governmental in nature in exchange for money.

4. State and Local General Government (8268-6)

   Report the portion of U.S. securities issued by U.S.-resident state and local general governments and municipalities that are held by or issued to foreign residents in columns 17 through 24. These securities include revenue, general obligation, and other debts that are their direct liabilities. Exclude securities issued by state, local, or municipal agencies and instrumentalities that perform functions that are not strictly governmental in nature. For example, exclude securities issued by government-sponsored credit unions, utilities, hospitals, and parking authorities that provide financial or non-financial services in exchange for money. Also exclude securities issued by state, local, or municipal pension, retirement, and insurance funds.

C. Of Which: By Type Of U.S. Holder

Report the portion of foreign securities (Columns 33 through 44) that are owned by U.S. -resident depository institutions, other financial organizations and non-financial organizations. The reporting entity should provide the “By type of U.S. holder” information for the parts of its consolidated entity that own foreign securities.

1. Depository Institutions (8166-3)

   Report the portion of foreign securities owned by commercial banks and other depository institutions organized under the laws of the United States in columns 33 through 44.

   Commercial banks in the United States include: U.S. branches and agencies of foreign banks; national banks; state-chartered commercial banks; trust companies that perform commercial banking business; industrial banks; and banking Edge Act and Agreement Corporations.

   Other depository institutions in the United States include: Building or savings and loan associations; homestead associations; cooperative banks; non-bank banks; credit unions; and mutual or stock savings banks. Include foreign securities owned by credit unions sponsored by state and local governments and municipalities.

2. Other Financial Organizations (8164-7)

Report the portion of foreign securities owned by other U.S.-resident financial organizations in columns 33 through 44. This category covers foreign securities held by U.S.-resident financial organizations other than U.S. depository institutions. Examples of other financial organizations include, but are not limited to, broker/dealers, bank holding companies (BHCs), insurance corporations, financial holding companies (FHCs), intermediate holding companies (IHCs), money market funds, public and private pension funds, investment banks, private equity companies, credit card issuers, hedge funds and trusts. Include foreign securities owned by state, local and municipal pension, retirement, and insurance funds.

3. Non-Financial Organizations (8165-5)

   Report the portion of foreign securities owned by U.S.-resident non-financial organizations, households, and nonprofit institutions serving households (NPISHs) in columns 33 through 44. Non-financial organizations are organizations whose principal activity is the production of goods or non-financial services. Examples include, but are not limited to corporations, partnerships, enterprises, and nonprofit institutions that produce goods or non-financial services. Include securities owned by agencies and instrumentalities of state, local and municipal governments, such as government-owned utilities, hospitals, and parking authorities, that provide goods or non-financial services that are not strictly governmental in nature in exchange for money. Exclude foreign securities owned by general government (U.S. federal, state and local governments and municipalities) from “non-financial organizations."

V. Appendixes

A. Flowcharts Of Reporting Responsibilities And Consolidation Rules (Page 33)

B. Sample Reporting TIC Form SLT

This form is available at the following TIC website: https://home.treasury.gov/data/treasury-international-capital-tic-system-home-page/tic-forms-instructions/tic-slt-form-and-instructions

C. Geographical Classification: Codes For Countries, Areas & International/Regional Organizations To Be Used For Purposes Of Reporting On Treasury International Capital (TIC) Forms

The most recent version of this appendix is now a separate document. **A copy is on the TIC website at:** https://home.treasury.gov/tic-country-codes-and-partial-list-of-foreign-official-institutions

D. Certain Foreign Institutions Classified As Official, A List To Be Used Only For Purposes Of Reporting On Treasury International Capital (TIC) Forms

The most recent version of this appendix is now a separate document. **A copy is on the TIC website at:** https://home.treasury.gov/tic-country-codes-and-partial-list-of-foreign-official-institutions

E. TIC Glossary

The most recent version of this appendix is now a separate document. **A copy is on the TIC website at:** https://ticdata.treasury.gov/Publish/ticglossary-2018march.pdf

APPENDIX A

DEPARTMENT OF THE TREASURY

FLOWCHARTS OF REPORTING RESPONSIBILITIES
And
CONSOLIDATION RULES

REPORTING responsibilities of:

A. U.S. investment manager/fund sponsor for:

1) U.S. master fund;
2) foreign master fund;

B. U.S. general partner and investment advisor/manager for:

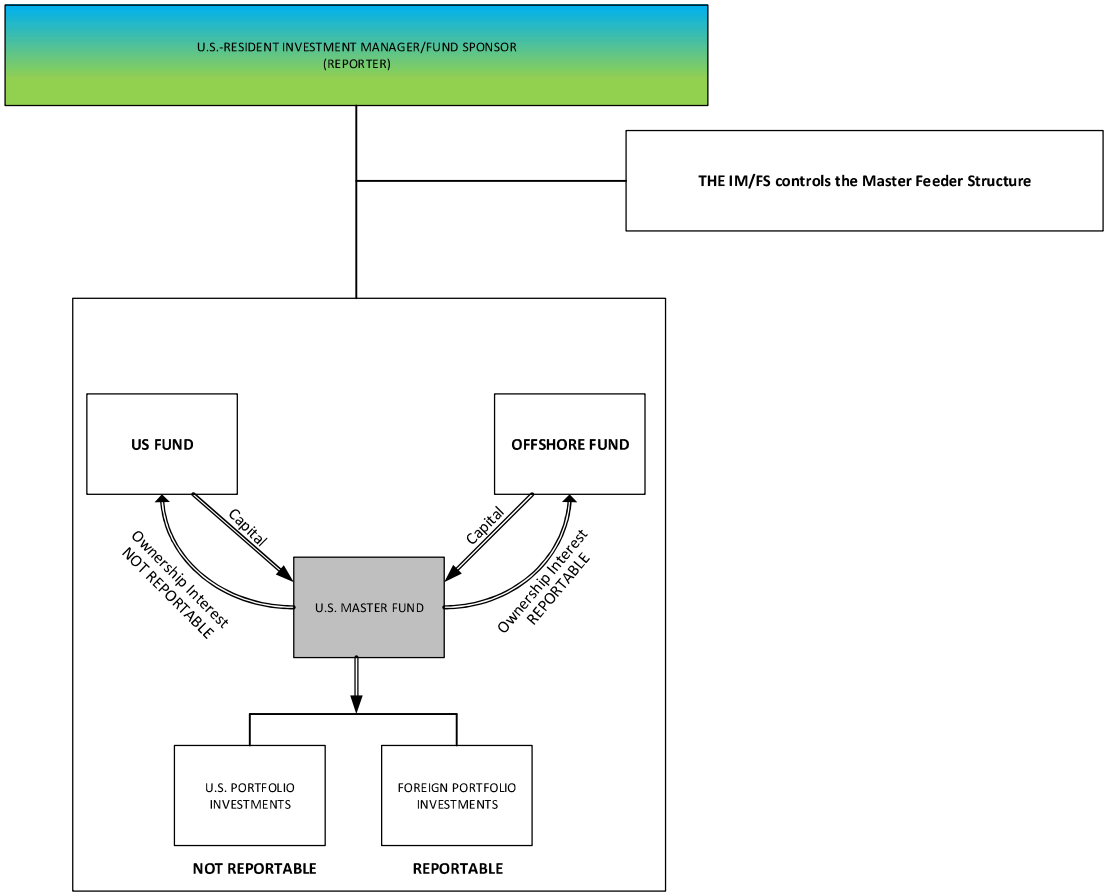
3) foreign private equity fund;
4) U.S. private equity fund

CONSOLIDATION rules for:

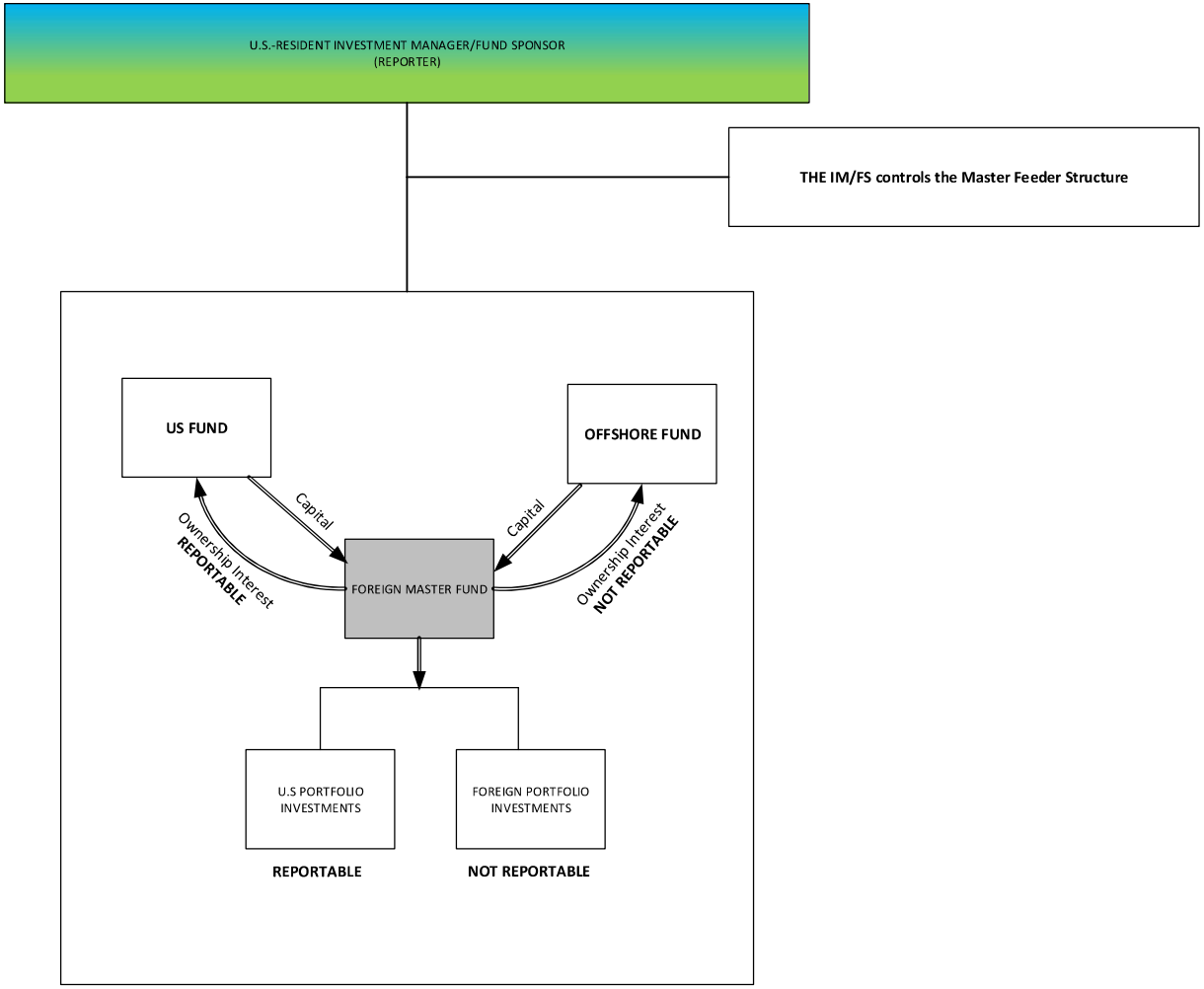
1) U.S. investment advisor/manager/sponsor;
2) U.S. bank holding company;
3) U.S. parent organization;
4) U.S. parent organization
5) foreign parent – bank with U.S. subsidiary
6) foreign parent organization
7) foreign parent – bank with U.S. branches

REPORTING RESPONSIBILITIES

SCENARIO 1: U.S.-RESIDENT INVESTMENT MANAGER/FUND SPONSOR OF A U.S. MASTER FUND

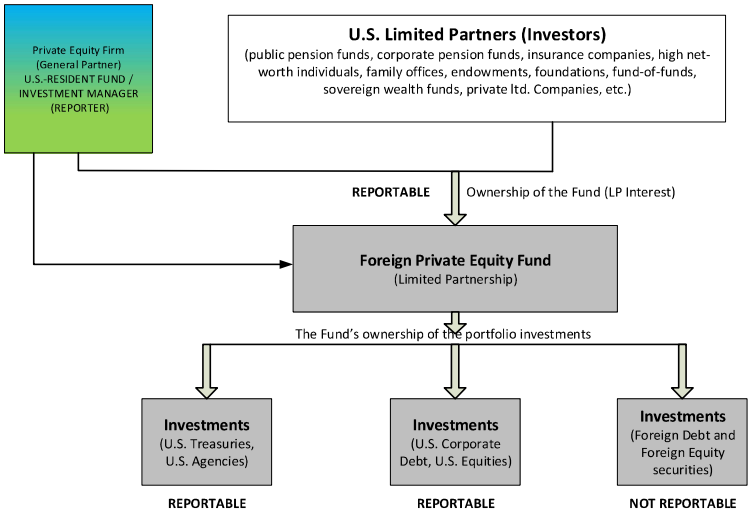


SCENARIO 2: U.S.-RESIDENT INVESTMENT MANAGER/FUND SPONSOR OF A FOREIGN MASTER FUND. Report only securities NOT held by U.S-resident custodians.



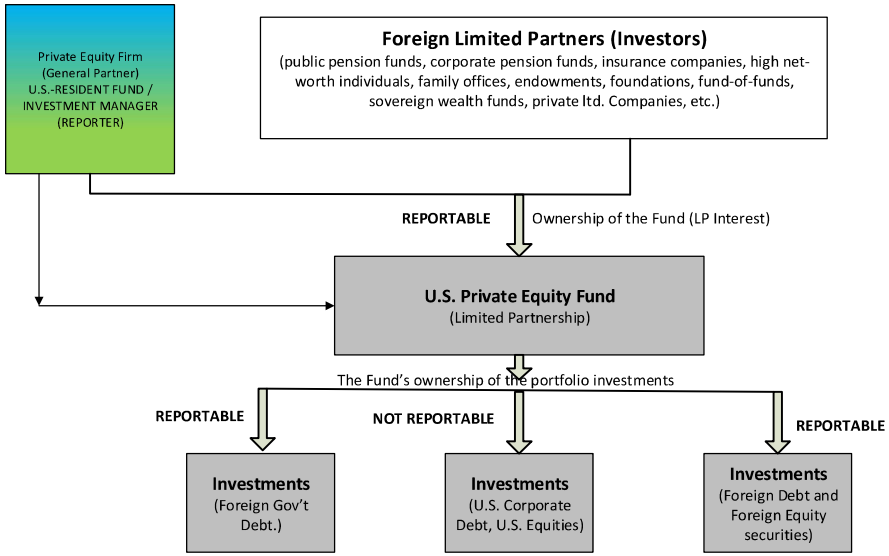
REPORTING RESPONSIBILITIES

SCENARIO 3: U.S.-RESIDENT GENERAL PARTNER AND INVESTMENT ADVISOR/MANAGER OF A FOREIGN PRIVATE EQUITY FUND. Report only securities NOT held by U.S-resident custodians.



REPORTING RESPONSIBILITIES

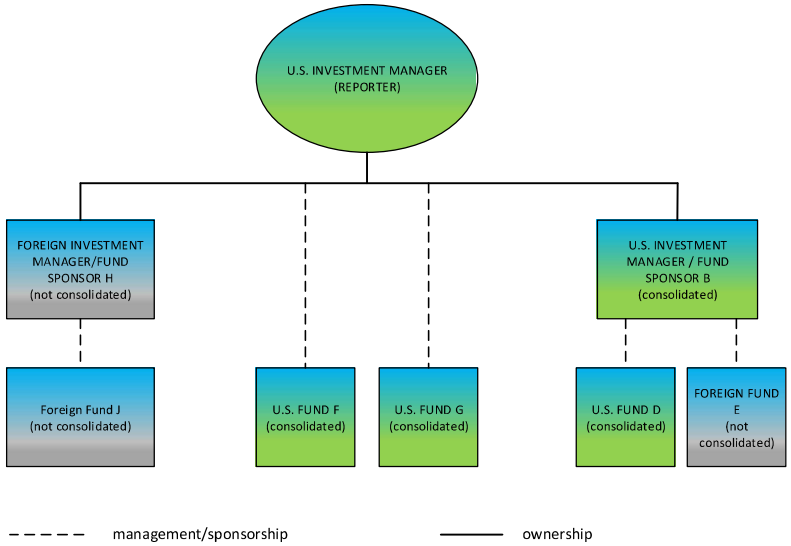
SCENARIO 4: U.S.-RESIDENT GENERAL PARTNER AND INVESTMENT ADVISOR/MANAGER OF A U.S. PRIVATE EQUITY FUND



CONSOLIDATION RULES

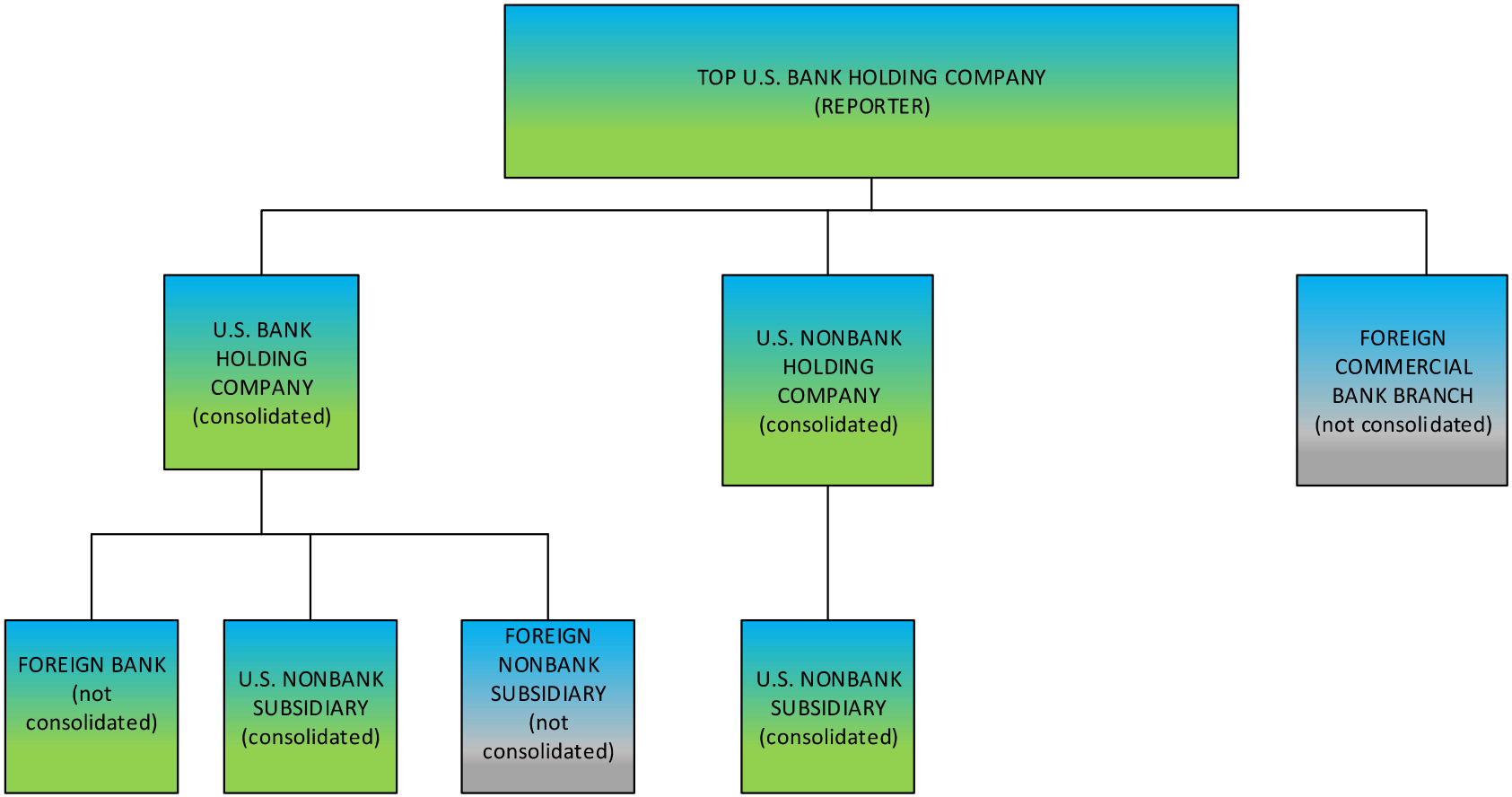
CONSOLOIDATION RULE 1: A U.S.-RESIDENT INVESTMENT ADVISOR/MANAGER/ SPONSOR

U.S. Investment advisors and fund managers/sponsors report consolidated the foreign securities of all clients and funds, plus any foreign portfolio securities owned or held by U.S. parts of its organization



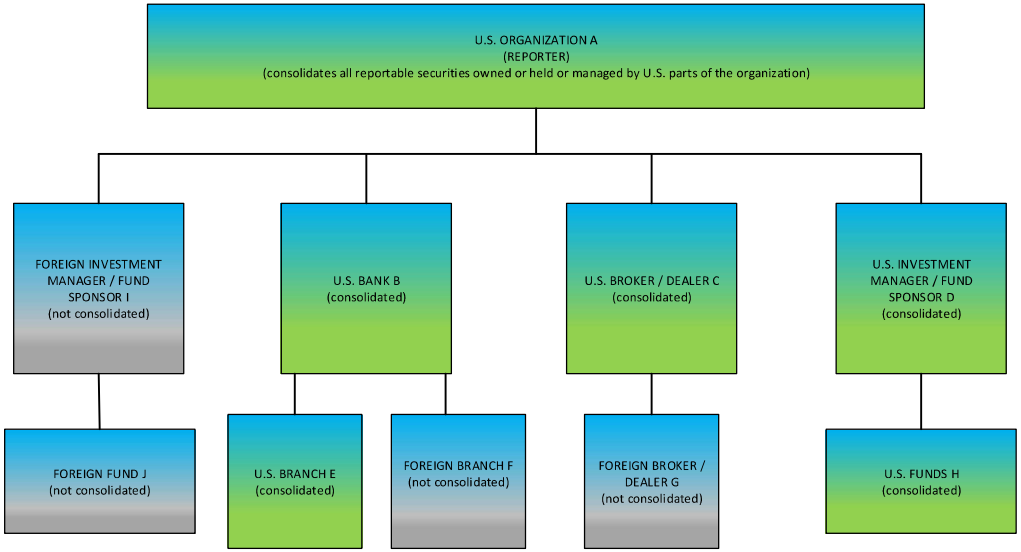
CONSOLIDATION RULES

RULE 2: A TOP-TIER U.S.-RESIDENT BANK HOLDING COMPANY



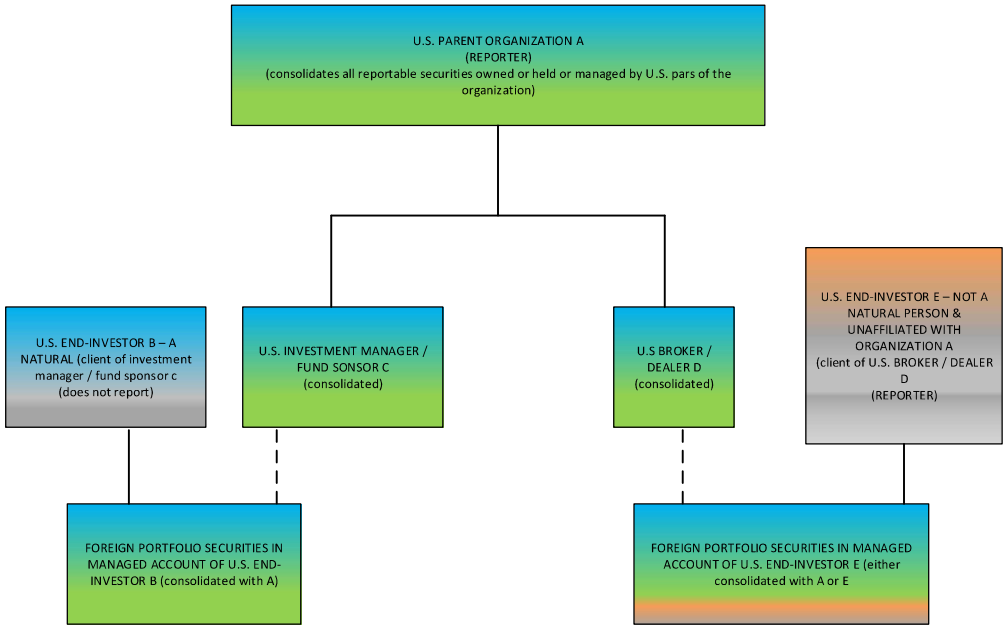
CONSOLIDATION RULES

RULE 3: U.S. PARENT ORGANIZATION



CONSOLIDATION RULES

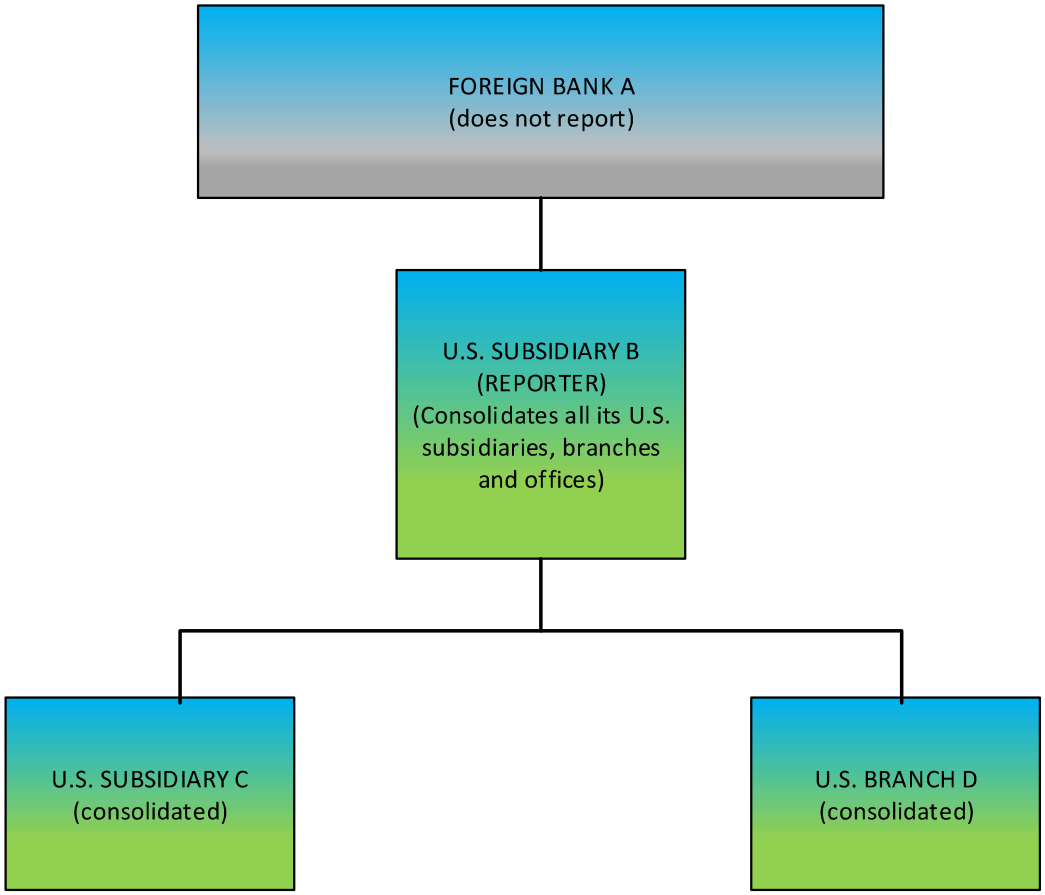
RULE 4: U.S. PARENT ORGANIZATION



CONSOLIDATION RULES

RULE 5: FOREIGN PARENT ORGANIZATION

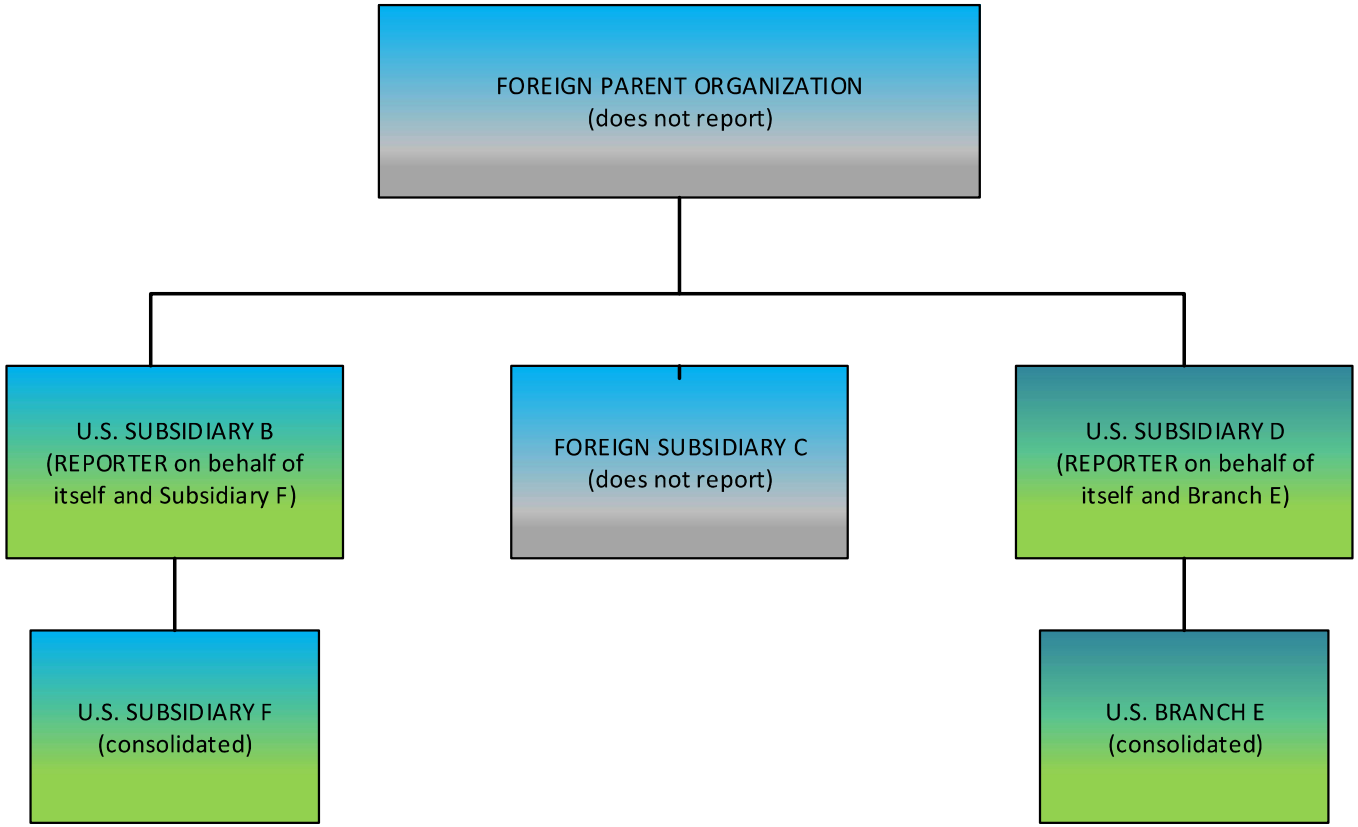
Top U.S. subsidiary consolidates all U.S. parts of its organization.



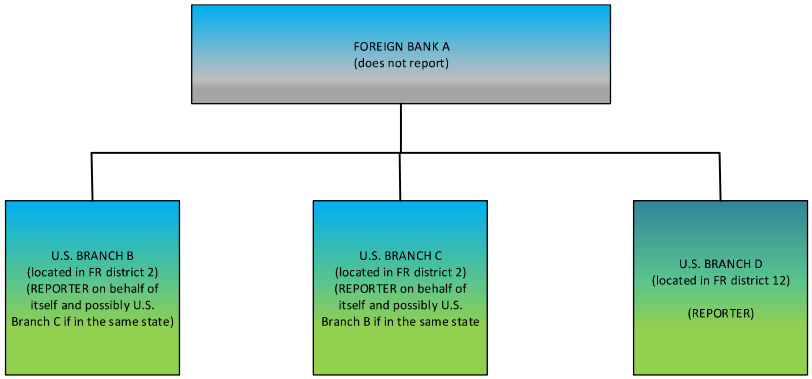
CONSOLIDATION RULES

RULE 6: FOREIGN PARENT ORGANIZATION

If there is more than one U.S. entity held directly by a foreign parent, each U.S. entity files separately consolodating all U.S. parts of its organization.



CONSOLIDATION RULES

RULE 7: FOREIGN PARENT ORGANIZATION

U.S. branches and agencies of foreign banks may file consolidated reports if they are both directly owned by the same parent AND are both located in the same state and Federal Reserve district.