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

**AGGREGATE HOLDINGS OF LONG-TERM SECURITIES BY
U.S. AND FOREIGN RESIDENTS
(TIC SLT)**

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
JUNE 30, 2011

TABLE OF CONTENTS

- I. Introduction
 - A. Purpose and Notice Under the Paperwork Reduction Act
 - B. Authority
 - C. Confidentiality of Data Reported
 - D. Other Statistical Reports

- II. General Instructions
 - A. Who Must Report
 - B. Consolidation Rules
 - C. Exemption Level and Reporting Frequency
 - D. Accounting, Valuation and Currency Conversion Rules
 - E. Reporting the Location of Foreign Counterparties
 - Countries, Other Geographic Areas, and Organizations
 - Country Unknown
 - Determining Residency
 - F. What Must be Reported
 - G. How To Report
 - Funds and Related Equity Holdings and Ownership
 - Limited Partnerships
 - Securities Involved in Repurchase and Securities Lending Arrangements
 - Depositary Receipts/ADRs/Shares
 - H. Submission of Reports
 - Reporting Dates/Deadlines
 - Where to Report
 - Signature Requirements
 - Reporter ID Number
 - Data Retention
 - Review of Data and Request for Revised Data

- III. Part A and Part B Instructions

- IV. Column by Column Instructions (Parts A and B)

- V. Instructions for the Of Which Rows

- VI. Glossary

- VII. Appendices:

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 of long-term U.S. securities and on U.S. -resident holdings 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 - NEW.

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 9.4 hours per respondent per filing, based on seventeen hours for each major respondent and five hours for each other respondent. These estimates include the time it will take to read the instructions, gather the necessary facts and fill out the forms. 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 - NEW), 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 C.F.R. 128.1 (a)). Failure to report can result in a civil penalty of not less than \$2,500 and not more than \$25,000. Willful failure to report can result in criminal prosecution and upon conviction a fine of not more than \$10,000; and 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 C.F.R. 128.4 (a) and (b)).

C. CONFIDENTIALITY OF DATA REPORTED

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. OTHER STATISTICAL REPORTS

1. The TIC B Forms are filed by all U.S.-resident banks and other depository institutions, securities brokers and dealers, and Bank Holding Companies/Financial Holding Companies (BHC/FHC). (However, the positions of insurance underwriting subsidiaries of BHCs/FHCs 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 or non-securities positions with foreign residents, including foreign affiliates. 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 are filed by all U.S. entities other than depository institutions, Bank Holding Companies/Financial Holding Companies (BHCs/FHCs), and securities brokers and dealers. (As an exception, the positions of insurance underwriting subsidiaries of BHCs/FHCs are excluded from the TIC B reports and reported by the BHCs/FHCs for

the underwriting subsidiaries on the TIC C reports.) On the TIC C Forms, these entities report positions with unaffiliated foreign-resident entities that are either short-term securities or non-securities.

3. 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 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.
5. To improve the accuracy of the TIC system and collect information on positions in securities, detailed security-by-security data are collected on a less frequent basis. Two data collection systems are used:
 - 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 and U.S.-resident end-investors holding securities without using U.S.-resident custodians are required to report detailed security-by-security information on their holdings of foreign

securities. In the years between these benchmark surveys, the largest of these reporters are required to submit this security-by-security information annually (Form SHCA).

6. 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. Direct Investment- Data on cross-border Direct Investment are collected by the Bureau of Economic Analysis, U.S. Department of Commerce. The data collections are designed to obtain comprehensive data on the transactions and positions between affiliated U.S. and foreign companies (“multinational companies”), and on the overall operations of multinational companies. To be affiliated, a U.S. company must own or control 10 percent or more of the voting securities of an incorporated foreign business (or an equivalent interest in an unincorporated foreign business), or a foreign company must own or control 10 percent or more of the voting securities of an incorporated U.S. business (or an equivalent interest in an unincorporated U.S. business). (See Direct Investment in the Glossary.)

II. GENERAL INSTRUCTIONS

For purposes of the TIC Form SLT report and these instructions, terms used may be further defined in the 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

All U.S. persons (defined in the Glossary) who are U.S.-resident custodians (including U.S.-resident central securities depositories), U.S.-resident issuers or U.S.-resident end-investors (as described below) and who meet or exceed the reporting threshold set forth in Section II.C Exemption Level must file the TIC Form SLT report .

U.S.-resident custodians include the following:

1. U.S.-resident custodians must report in Part A all U.S. securities that they hold in custody (or manage the safekeeping of) for the account of foreign residents (including their own foreign branches, subsidiaries, and affiliates) and all foreign securities they hold in custody (or manage the safekeeping of) for the account of U.S. residents; and report in Part B all foreign securities they hold for their own account (even if the foreign securities are then transferred to a foreign-resident custodian for safekeeping).
2. U.S.-resident central securities depositories, must report in Part A 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.

U.S.-resident issuers:

U.S.-resident issuers must report in Part B all securities issued by the U.S.-resident units of their entity directly to foreign residents, including:

- a. 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.);

- b. Book-entry securities that are held at a foreign-resident central securities depositories;
- c. Bearer securities; and
- d. 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)

U.S.-resident end-investors:

U.S.-resident end-investors must report in Part B all investments in foreign securities for their own portfolio or for the portfolios of their 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. Collectively, such investors are referred to as “end-investors” throughout these instructions.

U.S.-resident end-investors include, but are not limited to:

- a. Financial and non-financial organizations;
- b. Managers of private and public pension funds;
- c. Managers of mutual funds, country funds, unit-investment funds, exchange-traded funds, collective investment trusts, or any other similarly pooled, commingled funds;
- d. Insurance companies;
- e. Foundations;
- f. Institutions of higher learning (i.e., university endowments);
- g. Trusts and estates; and
- h. Funds and similar entities that own shares or units of, or other equity interests in a foreign related or non-related entity (example: a U.S.-based feeder fund owning shares of an offshore-based master fund).

If a reporting organization is an issuer and/or end-investor *and* a custodian (as described

above), both Part A and Part B of the report form must be completed. (See Section III.)

B. CONSOLIDATION RULES

For purposes of this report, U.S.-resident entities, including bank holding companies (BHC) and financial holding companies (FHC) 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 and FHCs, 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 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 LEVEL 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 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: (1) U.S. securities whose safekeeping U.S.-resident custodians manage on behalf of foreign residents; (2) foreign securities whose safekeeping U.S.-resident custodians manage on behalf of U.S. residents; (3) 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 (4) 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

Accounting Rules

All securities 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.

Valuation of Securities

Report the fair value of securities as of the last business day of the month. The fair value follows the definition of ASC 820 (formerly FAS 157).

U.S.- resident custodians should, at a minimum, report the fair value to the extent that it is available as part of the services provided to their customers, 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.

Foreign Currency Denominated Securities- Calculation of U.S. Dollar Values

If the security is not denominated in U.S. dollars, convert the foreign currency denominated fair value into U.S. dollars using the spot exchange rate as of close of business on the last business day of the month.

E. REPORTING THE LOCATION OF FOREIGN COUNTERPARTIES

Countries, Other Geographic Areas, and Organizations

Positions 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 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.

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.

Determining Residency

Determining the residence of counterparties

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 C) 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, 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. WHAT MUST BE REPORTED

The TIC Form SLT report collects monthly data on cross-border ownership 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 Glossary for definitions of portfolio investment and direct investment.)

Reportable long-term portfolio securities include:

1. 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.

2. 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 depository receipts/shares should not be reported. Instead, the holders of the depository receipts/shares should report the receipts/shares. This exception is necessary to identify the portion of depository receipts/shares actually held by U.S. residents, since many depository 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.

Reportable long-term securities include, but are not limited to:

Equity Interests

- Common stock;
- Preferred stock (participating and nonparticipating preference shares);
- Restricted stock;
- Depository 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.

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; and
- All other long-term debt securities.

The following items/types of securities are specifically excluded:

- Short-term securities (**original maturity** of one calendar 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 SHCA and TIC SHLA Forms.
- Bankers' acceptances and trade acceptances

- 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. The following ownership holdings known to be direct investments should be excluded:
 - When a U.S. resident owns a direct or indirect voting interest of 10% or more in a foreign company; or a foreign resident owns a direct or indirect voting interest of 10% or more in a U.S. company.
 - When U.S. resident (foreign resident) owns equity securities of a foreign company (U.S. company) with which the U.S. resident (foreign resident) is in a direct investment relationship.
- Securities taken in as collateral and securities received in repurchase/resale (reverse repurchase) agreements and security lending agreements. These transactions are considered borrowings collateralized by the underlying securities. Banks and broker/dealers should report the funds from these loans on the TIC B series forms; other entities should report these on TIC Form CQ-1.

G. HOW TO REPORT

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.

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; and
- Hedge funds.

For purposes of this report, the following funds and related equity ownership should be reported:

1. Foreign-residents’ ownership of shares/units of funds and investment trusts legally established in the United States (U.S.-resident funds)
2. Ownership of U.S. securities by foreign-resident funds
3. **Hedge funds and other alternative investments**
 - a) 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.

Example 1

A U.S. investment manager creates a Cayman Master Fund, a Cayman Feeder Fund and a U.S. Feeder Fund. The 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 should be reported as transactions in foreign equity by the U.S. feeder fund on the TIC S and the U.S. feeder fund's investments in the foreign master fund should be reported by the U.S. feeder fund as ownership of foreign equity 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.

Example 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, 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. Purchases and sales of the master fund shares by the foreign feeder fund should be reported on the TIC S as transactions in U.S. equity by the U.S. master fund and the master fund should report the ownership of their 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.

Example 3

A foreign investment manager sets up a Cayman Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. 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. Purchases and sales of the master fund shares by the U.S. feeder fund should be reported on the TIC S as transactions in foreign equity and the U.S. feeder fund's investments in the master 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.

Example 4

A foreign investment manager creates a U.S. Master Fund, a Cayman Feeder Fund, and a U.S. Feeder Fund. 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. Purchases and sales of the master fund shares by the foreign feeder fund should be reported on the TIC S as transactions in U.S. equity by the U.S. master fund and the master fund should also report the ownership of their shares by the foreign feeder funds 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.

- b) 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.

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

A state 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.

(b) 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 off shore funds are reportable as equities in columns 12 and 13 opposite the countries of registration (residence) of the funds. If those investments are direct investments, such as general partnership interests, then the investments are reportable to the Bureau of Economic Analysis of the Department of Commerce. 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.

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.

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 Glossary.)

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 of these arrangements, as well as buy/sell agreements, should be treated as follows:

- 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.
- Securities, including collateral, temporarily acquired under reverse repurchase or borrowing or lending arrangements should not be reported.
- However, if cash was temporarily received as collateral and was used to purchase securities, those securities should be reported.

Depository Receipts/ADRs/Shares

Depository receipts/shares, including American depository receipts (ADRs) or bearer depository

receipts are certificates representing the ownership of securities issued by foreign residents. Issuers of depository receipts/shares should not report their holdings of the actual, underlying, foreign securities. Only U.S.-residents' holdings of the depository receipts/shares should be reported as holdings of foreign equities.

H. SUBMISSION OF REPORTS

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.

Where to Report

Reporting entities that are banks, depository institutions, bank holding companies or financial holding companies (BHCs/FHCs) 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.

TIC Form SLT report can be submitted in the following manner:

1. Electronically
 - a) Using the Federal Reserve System's Internet Submission Electronic Submission (IESUB) System. IESUB is easy to use, secure and provides confirmation of the receipt of the data and performs a number of validity checks of your file format.
 - b) For more information on how to submit data using IESUB, contact the TIC SLT staff at 212 720-6300 or 646 720-6300. Alternatively, additional information

and application to register for IESUB can be obtained at:

<http://www.frbservices.org/centralbank/reportingcentral/iesub.html>

2. Mail/Fax for those reporting to FRBNY

a) Reports can be mailed to:

Federal Reserve Bank of New York
Statistics Function, 4th Floor
33 Liberty Street
New York, New York 10045-0001

b) To fax reports, contact your TIC Form SLT report analyst for the appropriate information.

Data may also be reported on computer printouts in the same format as the printed reports. The Federal Reserve Bank of New York must approve proposed computer printouts in advance of the first submission.

Signature Requirements

The cover page of the TIC Form SLT (which can be printed by the respondents from the TIC website at <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms.aspx>) must be signed by a duly authorized officer of the reporting entity. For electronic filers, the signature page must be retained by the reporter.

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.

Data Retention

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

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. PART A AND B INSTRUCTIONS

If a reporting entity is a U.S.-resident issuer and/or end- investor **and** a U.S.-resident custodian (as described in Section II.A), both Part A and Part B of the report form must be completed. Part A (custodian reporting) should include only those long-term securities held in custody by the reporting entity for unaffiliated U.S. investors. Part B (issuer and/or end-investor reporting) should include all other long-term securities positions, including U.S. securities that the reporting entity has issued and foreign securities the reporting entity holds as an end-investor. Part B should also include 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. If the reporting entity, or one of its consolidated U.S. subsidiaries, is the custodian for securities it is reporting as an end-investor or as an issuer, those securities should be reported only on Part B. If Part A or Part B is not applicable, place a check mark on the line next to "Not Applicable".

IV. COLUMN BY COLUMN INSTRUCTIONS (PARTS A AND B)

Long-term U.S. Securities Owned by Foreign Residents (Columns 1 through 9)

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, 3, 5 and 7 should be used to report when the holders of record are foreign official institutions (FOIs) and Columns 2, 4, 6 and 8 should be used to report when the holders of record are not FOIs, i.e., all other foreigners.

By Type of Foreign Holder

Foreign Official Institutions (FOIs) (Columns 1, 3, 5 and 7)

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 C). 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.

All Other Foreigners (Columns 2, 4, 6 and 8)

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.

By Type of Security

U.S. Treasury and Federal Financing Bank Bonds and Notes (Columns 1 and 2)

Report the fair 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 STRIPS, CATS, COUGARS, LIONS, TIGRS, and other instruments that are collateralized by the U.S. Treasury and Federal Financing Bank issues.

Bonds of U.S. Government Corporations and Federally Sponsored Agencies (Columns 3 and 4)

Report the fair 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 Glossary.

U.S. Corporate and Other Bonds (Columns 5 and 6)

Report the fair 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.

U.S. Equities (Columns 7 and 8)

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

Foreign Securities Owned by U.S. Residents (Columns 10 through 13)

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

Foreign Government Bonds (Column 10)

Report the fair 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.

Foreign Corporate and Other Bonds (Column 11)

Report the fair 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.

Foreign Equities (Column 12)

Report fair 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).

V. INSTRUCTIONS FOR THE OF WHICH ROWS

Of Which: By Type of Security

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 3, 4, 5, 6, 9, 10, 11 and 13.

Fund Shares (8401-8)

Report the portion of fund shares and other portfolio equity interest in funds reported in Columns 7, 8, 9, 12 and 13.

Of Which: By type of U.S. issuer

Report the portion of "U.S. Corporate and Other Bonds" (Columns 5 and 6), "U.S. Equities" (Columns 7 and 8) and the "Grand Total" (Column 9) 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.

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 5, 6, 7, 8 and 9.

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.

Other Financial Organizations (8265-1)

Report the portion of U.S. securities issued by other U.S.-resident financial organizations in columns 5, 6, 7, 8 and 9. 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), 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.

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 5, 6, 7, 8 and 9. 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.

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 5, 6 and 9. 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.

Of Which: By type of U.S. Holder

Report the portion of foreign securities (Columns 10 through 13) that are owned by U.S.-resident depository institutions, other financial organizations and non-financial organizations. For Part B reporting, the reporting entity should provide the “By type of U.S. holder” information for the parts of its consolidated entity that own foreign securities.

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 10, 11, 12 and 13.

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.

Other Financial Organizations (8164-7)

Report the portion of foreign securities owned by other U.S.-resident financial organizations in columns 10, 11, 12 and 13. 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), 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.

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 10, 11, 12 and 13. 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."

VI. GLOSSARY

AFFILIATE - Two companies are affiliated when one owns greater than 10% but less than 50% of the voting shares of the other, or when both are subsidiaries of a third company.

AMERICAN DEPOSITARY RECEIPT (ADR) - Negotiable certificates typically issued by a U.S.-resident company and backed by shares of stock issued by a foreign corporation. The securities are held in a custodial account, either at the issuing bank or by an agent. The ADR should be reported, not the foreign securities held by the security depository.

AMERICAN DEPOSITARY SHARE (ADS) - Negotiable securities certificate issued in the United States by transfer agents acting on behalf of foreign issuers, where the foreign issuers absorb part or all of the handling costs involved. The ADS should be reported, not the foreign securities held in custody.

ASSET-BACKED SECURITIES - Securitized interests in a pool of assets, which give the purchaser a claim against the cash flows generated by the underlying assets. These pools may be derived from mortgage loans, auto loans, credit card receivables, vehicle and equipment leases, consumer loans, commercial loans or other assets. All asset-backed securities, including CMOs, CLOs, CBOs, CDOs, and stripped asset-backed securities should be reported.

ASSET POOLS - a collection of assets (securities, real estate, currencies, commodities). Funds and other investment vehicles usually invest in asset pools. Securities in asset pools may be reportable.

BEARER BOND - Securities that are not registered in the name of their owner. The owner collects interest and dividends upon presentation of detachable coupons to a bank or fiduciary agent.

BEARER BOOK-ENTRY SECURITIES - See **Bearer Global Notes/Certificates**.

BEARER GLOBAL NOTES/CERTIFICATES - Bearer notes issued to one or more dealers that are represented by a single global note in bearer form and are intended to be the backing for registered securities issued by the central security depository. (See global certificates.) Bearer global notes/certificates held at a foreign-resident central securities depository are reportable.

BRADY BONDS - Collateralized dollar-denominated bonds issued by a foreign government or central bank in exchange for loans under the Brady Plan.

CENTRAL SECURITIES DEPOSITORY - A depository that holds securities, either in certificated or uncertificated (dematerialized) form, to enable the transfer of ownership of securities. Depositories are not necessarily custodians, since they may be responsible only for registering and settling security transactions. The major U.S. central securities depository is Depository Trust and Clearing Corporation (DTCC) and the major foreign- resident central securities

depositories are Euroclear and Clearstream.

CERTIFICATE OF DEPOSIT - See Negotiable Certificates of Deposit.

COLLATERALIZED MORTGAGE OBLIGATION (CMO) - Mortgage-backed asset-backed securities, which give the purchaser a claim against the cash flows generated by the underlying mortgages. CMOs are usually characterized by a multi-tranche or multi-class serialized structure.

COMMERCIAL PAPER - A promissory note, either unsecured or backed by assets such as loans or mortgages. They are usually sold at a discount and customarily having a fixed maturity of 270 days or less. (Commercial paper that is a short-term security is not reportable on the TIC SLT).

COMMINGLED ACCOUNT - An account in which the investment funds of individual clients are pooled, with each client owning portions of the pooled account. U.S. securities held in foreign-resident commingled accounts should be reported.

COMMON STOCK - A security representing equity ownership in a corporation. Common stock claims are subordinate to the claims of bondholders, preferred stockholders, and general creditors.

CONVERTIBLE BOND - A bond that can be exchanged at a set price for equity securities by the holder under certain conditions.

COVERED BOND - Also known as Mortgage Bond or Pfandbriefe. A bond that is backed by loans, typically mortgages, but does not give the purchaser a claim against the cash flows generated by the underlying assets.

CUSTODIAN - A bank or other entity that manages or administers the custody or safekeeping of securities (stock certificates, debt securities) or other assets for institutional or private investors.

DEPOSITARY RECEIPTS - See American Depositary Receipts (ADR). Related types of depositary receipts, such as Global Depositary Receipts, that are backed by foreign securities.

DEPOSITORY INSTITUTION - Any financial institution that accepts deposits. Depository institutions include government-sponsored credit unions. U.S. 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, building or savings and loan associations, homestead associations, cooperative banks, non-bank banks, credit unions, and mutual or stock savings banks.

DERIVATIVE CONTRACT - Financial instrument or other contract with all three of the following characteristics:

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

Derivative contracts are excluded from this report. Embedded derivatives that are not bifurcated from the host contract should be included in the value of the host contract. However, if the embedded derivative is bifurcated from the host contract, the derivative should be excluded from this report.

DEVELOPMENT BANKS - Entities owned by national governments and established to promote economic development of sectors of the economy, such as trade, housing, agriculture, finance and industry. Securities issued by foreign development banks should be reported.

DIRECT INVESTMENT - A direct investment relationship exists when a U.S. resident owns, directly or indirectly, 10% or more of the voting securities of an incorporated foreign business (or equivalent interest in an unincorporated foreign business, including a branch), or when a foreign resident owns, directly or indirectly, 10% or more of the voting equity securities of an incorporated U.S. business (or an equivalent interest in an unincorporated U.S. business, including a branch). Limited partners in a partnership do not have voting rights and therefore cannot have direct investment. If a direct investment relationship exists, then generally, all financial positions and transactions between the firms are considered direct investment. However, debt between U.S. – resident depository institutions and broker/dealers and affiliated foreign-resident financial companies is not considered direct investment and should be reported in the TIC system. U.S. residents in direct investment relationships should contact the Bureau of Economic Analysis about reporting requirements. For U.S. direct investment abroad, call 202 606-5566, for foreign direct investment into the United States, call 202 606-5577.

END-INVESTOR - An entity that acquires or relinquishes securities for its own account (for trading, investment, or any other purposes) or invests on behalf of others, including asset pools, such as managers of mutual funds, managers of insurance company policyholder assets, and pension fund managers. (See Section II.A for examples of end-investors.)

EQUITY, EQUITIES - Equity includes common stock, preferred stock, fund shares, and portfolio investment in limited partnerships and hedge funds and funds of hedge funds. U.S. equity is issued by entities resident in the United States. Foreign Equity is issued by public and private corporations and entities resident outside the United States, including holdings of American Depositary Receipts (ADRs).

FINANCIAL ORGANIZATION - Any organization that is principally engaged in providing financial services to other organizations and households. This includes but is not limited to financial intermediation services provided by banks and other depository institutions, brokerage services, underwriting services, financial management services, credit origination services, credit card services, insurance services, pension services, financial advisory services, custody services, securities lending services, and electronic funds transfer services. Types of financial organizations include but are not limited to depository institutions, broker/dealers, bank holding companies (BHCs), insurance corporations, financial holding companies (FHCs), money market funds, pension funds, investment banks, private equity companies, credit card issuers, hedge funds and trusts. Financial organizations include government-sponsored credit unions and pension funds.

FOREIGN BANK - A bank located in a foreign country and organized under the laws of that country.

FOREIGN-RESIDENT (FOREIGN, FOREIGNER) - Any individual, corporation, or other entity legally established outside of the United States, regardless of the actual center of economic activity of the entity. Thus, a corporation incorporated outside of the United States is a foreign resident even if it has no physical presence outside the United States. Foreigners/foreign residents include:

1. Individuals, including citizens of the United States, residing outside of the United States. (This includes individuals that have filed an IRS Form W-8, indicating that the individual is a nonresident alien. However, if an IRS form is not available, the mailing address can be used to determine residency.)
2. Any corporation or other entity legally established outside of the United States, including branches, subsidiaries and other affiliates of U.S. entities located abroad.
3. Foreign governments and any subdivision, agency or instrumentality thereof, including all foreign official nonbanking institutions, even if located in the United States (e.g., an embassy, consulate, or other diplomatic establishment of a foreign country).
4. Official international or regional organizations or subordinate or affiliated agencies thereof, created by treaty or convention between sovereign states, even if located in the United States, including the International Bank for Reconstruction and Development (IBRD or World Bank), the International Monetary Fund (IMF), and the United Nations (UN). (See Appendix C for a list of international and regional organizations.)

FOREIGN SECURITIES - Securities issued by foreign-resident entities and depository receipts issued by U.S.-resident entities that have underlying foreign securities. See Section II.F.

FUNDS - Pooled, separate and general investment accounts, including mutual funds (open and closed end), country funds, exchange traded funds, unit investment trusts, collective-investment

trusts, hedge funds, and all other similarly pooled, commingled investment funds.
(See Section II.G.)

HOLDER OF SECURITIES - The holder of record is the owner of a company's securities as recorded on the books of the issuing company or its transfer agent as of a particular date. The term "holder of securities" in the TIC instructions also refers to the custodian holding on behalf of its clients. The content of the surrounding instructions should determine the appropriate meaning. If there are questions, contact the Federal Reserve Bank.

HOUSEHOLD - An individual or group of individuals that share a dwelling, that is, live and sleep in that dwelling most of the time, who pool some or all of their income and wealth, and who consume certain types of goods collectively, mainly housing and food. Business activities included in this sector are informal and do not have a separate legal status from the household. Partnerships and proprietorships that have a separate legal identity from the household are organizations that are not included in the household sector.

INDIVIDUALS - Natural persons.

INVESTMENT MANAGER - An entity responsible for communicating instructions regarding account transactions on behalf of end-investors to ensure authorized transactions are performed correctly and that the accounts are properly maintained and reported to the end-investor. An entity's status as an investment manager is not affected by the entity's responsibility, or lack thereof, for making investment decisions.

INVESTMENT TRUST SHARE - A share of a company bound by a trust deed issued in registered form, formed to invest in specific types of securities. Shares in an investment trust can usually be bought and sold only through the stock exchange. These are sometimes referred to as 'closed-end' funds. Foreign ownership of interests in a U.S. investment trust is reportable, regardless of the types of securities held by the trust.

ISSUER - Legal entity that has the power to issue and distribute a security. Issuers include corporations, municipalities, foreign and domestic governments and their agencies, and investment trusts.

LOAN - A contract **directly negotiated** between a borrower and a lender evidencing an obligation to repay borrowed funds according to specific the conditions, possibly including payment of interest. Loans are not reportable on the TIC SLT.

LONG-TERM - No contractual maturity or an original maturity of more than one year. Long-term securities are securities without a stated maturity date (such as equities) or with an original term-to-maturity greater than one year.

MANAGERS OF FUNDS - Manager of a pool of money such as a mutual fund, pension fund, insurance fund, or bank-pooled fund.

MUNICIPAL BONDS - Debt securities issued by state and local governments. Municipal bonds are reportable.

NATIONALIZED BANK - Institution owned by a foreign central government that is classified as a bank in its own country. A nationalized bank is considered to be an official organization only if it performs the functions of a central bank.

NEGOTIABLE CERTIFICATE OF DEPOSIT - Deposits evidenced by a negotiable instrument, or a deposit in book entry form evidenced by a receipt or similar acknowledgement issued by a bank, which provides on its face that the amount of such deposit is payable to the bearer or any specified person. Negotiable certificates of deposit are not reportable on the TIC Form SLT report.

NON-FINANCIAL ORGANIZATION - Any organization that is principally engaged in producing goods or nonfinancial services. This sector excludes Federal, state, and local governments; however it includes agencies and instrumentalities of governments such as utilities that produce goods or non-financial services that are not strictly governmental in nature in exchange for money.

NON-PROFIT INSTITUTIONS SERVING HOUSEHOLDS (NPISHs) - Institutions that are mainly engaged in providing goods and services to households free of charge or at prices that are not economically significant. Examples include but are not limited to charities, relief and aid organizations and religious institutions.

PORTFOLIO INVESTMENT - Pursuant to 22 U.S.C. 3102, portfolio investment means any international investment which is not direct investment. "International investment" means (a) the ownership or control, directly or indirectly, by contractual commitment or otherwise, by foreign persons of any interest in property in the United States, or of stock, other securities, or short and long-term debt obligations of a United States person, and (b) the ownership or control, directly or indirectly, by contractual commitment or otherwise, by United States persons of any interest in property outside the United States, or of stock, other securities, or short- and long-term debt obligations of a foreign person.

PREFERRED STOCK - Equity securities with preferences to the common stock of the issuer. Preferred stock is usually entitled to dividends, stated as a fixed dollar amount or as a percentage of par value, before any dividend can be paid on the common stock and has priority over common shares in the event of liquidation.

REPURCHASE AGREEMENT (REPO) - A transaction involving the sale of financial assets by one party to another, subject to an agreement for the seller to repurchase the assets at a specified price on a future date. A resale agreement (also known as a reverse repurchase agreement) is the same transaction viewed from the opposite perspective. Securities sold or purchased under repurchase (resale) agreements should be reported as if the transaction had not occurred. (See

Section II.G)

SECURITIES DEPOSITORY - An entity that holds securities, either in certificated or uncertificated (dematerialized) form, to enable the transfer of ownership of securities. Depositories are not necessarily custodians, since they may be responsible only for registering and settling security transactions. The major U.S. depository is Depository Trust and Clearing Corporation (DTCC).

SECURITY - Any bill, note, bond, debenture, stock, or similar instrument that is commonly referred to as a security. See Section II.F for a list of reportable long-term securities.

SETTLEMENT DATE - The date a security is delivered to the purchaser.

SETTLEMENT DATE ACCOUNTING - Under settlement date accounting the purchase and sale of assets are not recorded until the settlement date. Settlement date accounting should be used for purposes of this report.

SHARES or OTHER UNITS OF FUNDS - A share is a unit of equity ownership in a corporation; mutual fund; or interest, normally represented by a certificate, in a general or limited partnership. Ownership and transactions are sometimes made and priced in terms of other units, such as a "unit" of a Unit Investment Trust. In the case of Exchange-Traded-Funds, large investors often trade in "creation units", e.g. a 50,000 share block, that are bought and sold "in kind".

SHORT-TERM - Original maturity of one year or less.

SINKING FUND DEBT or SINKER - A debt security on which the interest and principal payments are made from a sinking fund. A sinking fund is money accumulated on a regular basis in a separate custodial account that is used to retire a certain amount of the debt at specified intervals and to pay interest on the remaining principal at specified intervals. Sinkers are reportable. Although factors are associated with it that indicate the amount of unretired debt, sinking fund debt is not asset-backed debt and should be excluded from the Of Which rows for asset-backed securities.

STATE OR LOCAL GENERAL GOVERNMENT - The fifty states of the United States and the District of Columbia, Puerto Rico and the U.S. territories and possessions, and their political subdivisions, including counties, municipalities, school districts, irrigation districts, and drainage and sewer districts. INCLUDES, but is not limited to the following activities that issue securities: General municipal obligation bonds; Housing/Multi-family programs (housing finance); Revenue bonds (includes general "tax-revenue" bonds, as well as bonds financed by revenue from toll roads, bridges, transportation facilities); Industrial development bonds; General economic development bonds; Bonds for building correctional facilities; School District improvement bonds; Higher education bonds; Fire District improvement.

NOTE: It is common to refer to the "public sector", which is composed of general government plus the public enterprises. The latter are agencies and instrumentalities of such governments that issue securities for the provision of goods/services that are not strictly governmental in

nature in exchange for money. For purposes of TIC reporting, the public enterprises are excluded from "general government" and are included in different sectors, as indicated below:

- Depository Institutions sector -- State and local Credit Unions
- Other Financial Organizations sector -- Pension funds, Retirement funds, Insurance (e.g., health insurance, unemployment insurance)
- Non-Financial Organizations sector -- Utilities (water, electric, sewer, etc.), Healthcare/Hospital bonds, Parking Authority (parking lots and garages)

STRIPS - An acronym for Separately Traded Registered Interest and Principal Securities. These securities are created by "stripping" coupon payments from securities and treating these coupons as separate securities from the principal.

STRIPPED DEBT SECURITIES - Debt securities that have been transformed from a principal amount with periodic interest coupons into a series of zero-coupon securities with the range of maturities matching the coupon payment dates and the redemption date of the principal amount. **Stripped asset-backed securities are considered asset-backed securities and should be included in the ABS Of Which by type of security memo row.**

STRUCTURED NOTE OR BOND - A financial instrument created specifically to meet the needs of one or a small number of investors. Some of the more common structures include: step-up bonds, index-amortizing notes, dual index notes, deleveraged bonds, range bonds, and inverse floaters. Structured notes or bonds are reportable.

SUBCUSTODIAN - A custodian that has legal responsibility for the safekeeping of securities entrusted to it by another custodian.

SUBORDINATED DEBT - A security evidencing debt that the holder agrees to rank after senior creditors, but before shareholders, in a bankruptcy.

SUBSIDIARY - A company in which another company (parent) owns 50 percent or more of the voting securities or an equivalent interest, or meets the consolidation requirement of U.S. GAAP. A subsidiary is always, by definition, an affiliate, but subsidiary is the preferred term when majority control exists.

TREASURY BILL - A common form of sovereign debt issued by many governments.

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

UNIT INVESTMENT TRUST - A fixed portfolio of securities that are assembled by an underwriter/ sponsor and upon completion of the underwriting, are deposited with an independent trustee. Unit investment trusts have a definite termination date, usually between 6 months and 10 years. (See Section II.G.)

U.S. GOVERNMENT AGENCY AND GOVERNMENT SPONSORED ENTERPRISE SECURITIES -

Securities that are guaranteed by or are the obligation of a federal agency, a federal instrumentality, or a government sponsored enterprise. These securities include, but are not limited to, mortgage-backed securities that were issued by, guaranteed by, or are the obligation of a federal agency, a federal instrumentality, or a government sponsored enterprise, including participation certificates, pass-through, CMOs, REMICS, and IO or PO issues. U.S. government agency securities exclude privately issued mortgage-backed securities even if the underlying collateral is government guaranteed.

A. U.S. Federal Government Agencies and Corporations include, but are not limited to:

- Architect of the Capital
- Commodity Credit Corporation (CCC)
- Department of Agriculture, including former Rural Electrification Administration (REA) and former Farmers Housing Administration (FMHA)
- Department of Defense and Military Services (e.g. Air Force)
- Department of Housing and Urban Development (HUD)
- Department of Interior
- Export-Import Bank of the United States (Ex-Im Bank)
- Federal Communication Commission (FCC)
- Farm Credit System Financial Assistance Corporation (FCSFAC)
- Federal Deposit Insurance Corporation (FDIC), including FSLIC Resolution Fund
- Federal Housing Administration (FHA)
- Financing Corporation (FICO)
- General Services Administration (GSA)
- Government National Mortgage Association (GNMA or Ginnie Mae)
- Maritime Administration
- National Archives and Records Administration (NARA)
- National Consumer Cooperative Bank
- Overseas Private Investment Corporation (OPIC)
- Resolution Funding Corporation (REFCORP)
- Rural Telephone Bank
- Small Business Administration
- Tennessee Valley Authority (TVA), including lease obligations
- Washington Metropolitan Area Transit Authority (WMATA)

B. Government Sponsored Enterprises include, but are not limited to:

Farm Credit System:

Agricultural Credit Bank (ACB)
Farm Credit Banks (FCB)
Federal Agricultural Mortgage Corporation (FAMC or Farmer Mac)
Federal Home Loan Banks (FHLB)
Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Federal National Mortgage Association (FNMA or Fannie Mae)

U.S. PERSON - Pursuant to 22 U.S.C. 3102 a United States person is any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial organization, or other entity or instrumentality thereof, including a government-sponsored agency), who resides in the United States or is subject to the jurisdiction of the United States.

U.S. RESIDENT - Any individual, corporation, or other entity incorporated or otherwise legally established in the United States, including branches, subsidiaries and affiliates of foreign entities located in the United States. The residency of an entity is determined by where a corporation or subsidiary is incorporated and where a branch is licensed, not by the physical office of the counterparty. Furthermore, U.S. Military Facilities, which are offices of United States banks located in foreign countries that provide financial services to persons in the United States Armed Forces stationed abroad, should be classified as U.S. banking offices for purposes of the TIC reports. The term is used as a qualifier in the instructions, such as U.S.-RESIDENT CUSTODIAN and U.S.-RESIDENT ISSUER.

U.S. TREASURY SECURITIES - Debt instruments that are direct obligations of the United States Treasury. These instruments include Treasury bills that have an original maturity of one year or less, Treasury notes that are intermediate-term (original maturity of 1-10 years), and Treasury bonds that have an original maturity of 10 years or more.

ZERO-COUPON SECURITY - Bonds that do not provide interest payments. Zero-coupon bonds usually have an issue price well below 100% of the face value with repayment on maturity at face value or par. The investors' return is the difference between the issue price and redemption value.

APPENDIX A

SAMPLE REPORTING TIC FORM SLT

This form is available at the following TIC website:

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

APPENDIX B

DEPARTMENT OF THE TREASURY

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

**The most recent version of this appendix is now a separate document.
A copy is on the TIC website at:**

<http://www.treasury.gov/resource-center/data-chart-center/tic/Documents/fctry-june2006.pdf>

APPENDIX C

DEPARTMENT OF THE TREASURY

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

**The most recent version of this appendix is now a separate document.
A copy is on the TIC website at:**

<http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/foihome.aspx>