

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

Reports by Depository Institutions, by Bank Holding Companies/Financial Holding Companies (BHCs/FHCs), and by Securities Brokers and Dealers of Liabilities to, and Claims on, Foreign Residents by U.S. Residents

TIC B REPORTS

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|----------------------|--|
| BC | Report of U.S. Dollar Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers on Foreigners |
| BL-1 | Report of U.S. Dollar Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers to Foreigners |
| BL-2 | Report of Customers' U.S. Dollar Liabilities to Foreigners |
| BQ-1 | Report of Customers' U.S. Dollar Claims on Foreigners |
| BQ-2 (Part 1) | Report of Foreign Currency Liabilities and Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers and Dealers, and of their Domestic Customers vis-à-vis Foreigners |
| (Part 2) | Report of Customers' Foreign Currency Liabilities to Foreigners |
| BQ-3 | Report of Maturities of Selected Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers and Dealers to Foreigners |

Revised March 10, 2006. See summary on page v.
These instructions apply only to reports with as-of dates on or after June 30, 2006.

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GLOSSARY TERMS

Administrative Agent	Loans
American Depository Receipt (ADR)	Loan Servicing Arrangements, Loan Servicer
Brady Bonds	Nationalized Banks
Brokerage Balances	Negotiable Certificates of Deposit
Commercial Paper	Overdraft
Credit Balances	Participations
Custodian	Repurchase/Resale Agreements
Deposits	Securities
Depository Receipts	Securities Brokers and Dealers
Derivative Contracts	Settlement Date Accounting
Development Banks	Subsidiary
Direct Investment	Sweep Agreements
Foreign Resident	United States
Foreign-Resident Custodian	U.S. Military Facilities
Foreign Subcustodian	U.S. Resident
International Banking Facilities (IBF)	

REVISIONS, Summary of:

-- January 2006. These instructions apply only to reports with as-of dates on or after June 30, 2006. On the basis of changes in the forms, effective as-of June 30, 2006, and comments from respondents, the following significant revisions were made: (a) Throughout the instructions, removed all references and text regarding three semiannual forms BC(SA), BL-1(SA) and BL-2(SA) because they will be discontinued after reports as-of December 2005; (b) On page 3, inserted new paragraph (2) describing TIC Form D, which became effective in 2005; (c) On page 3 in paragraph (3)(b), updated description of TIC form SHL/SHLA; (d) On page 5, updated the estimates of reporting burden hours; (e) On page 6 in the first three paragraphs of the section on Consolidation/Combination Rules, changed the language about SPE to language about VIE in line with more recent guidelines in FIN 46; (f) On page 11, deleted the BIS exception because it was made obsolete by the new, expanded list of countries, areas and organizations; (g) At bottom of page 11 in "Where to Report", added clarification in the last part of the first sentence; (h) On pages 13, 17, 30 and 31, replaced references to FR 2951/50, which are discontinued, and to FFIEC 002 with single reference to "FFIEC "Call" reports"; (i) On page 20 in the first sentence of the section on Own Foreign Offices, inserted the word "direct" before "foreign parent"; (j) On page 25 for row 8141-8, and on page 26 for row 8155-8, deleted the text on repos to clarify that they are to be reported on form BL-1 and not on form BL-2; (k) At bottom of page 25, inserted "not" before "guaranteed" in the next-to-last sentence in section on "U.S. Agencies Row (8146-9)". This corrects an obvious error that excluded data which should be reported in that row; (l) On page 29 in the last sentence of the section on Other Claims, replaced "non-U.S." with "U.S.", and inserted the word "foreign" before "offices"; (m) On page 41 in the paragraph on Commercial Paper, added text to clarify that short-term asset-backed securities are included in commercial paper; (n) On page 54 in the bottom box of flowchart 4A, removed phrase "as Other Customers' Claims". (Note: the paragraphs containing revisions are marked with a vertical bar on the right-side of the page.)

-- March 10, 2006: (a) added exception no. 2 on page 10 to clarify reporting opposite the BIS, ECB, ECCB, BCEAO, and BEAC; (b) added phrase "or negotiable instruments" inside flowchart 4a on page 54 to clarify reporting for BQ-1 and BQ-2.

I. General Instructions

A. Organization of the Instruction Book

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

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

The forms and a copy of these instructions are available on the Internet at the U.S. Treasury's web site <http://www.ustreas.gov/tic/forms.html>.

B. Purpose of the TIC Forms

The purpose of the Treasury International Capital B forms is to gather timely and reliable information on the levels of, and changes in, U.S. international portfolio capital positions. This information is needed for the preparation of the U.S. Balance of Payments Accounts and the U.S. International Investment Position, as well as for the formulation of U.S. international financial and monetary policies. The data are also needed to enable the United States to comply with standards for providing data on cross-border financial positions, including adherence to the International Monetary Fund's Special Data Dissemination Standard. Aggregate data are published in the Treasury Bulletin and the Federal Reserve Bulletin and are available on the Treasury website at <http://www.ustreas.gov/tic>. Some aggregate data are also provided to the Bank for International Settlements for its use in compiling widely-used international statistics.

Organization of the TIC B Forms

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

FORM	DATA COLLECTED FROM U.S. RESIDENT DEPOSITORY INSTITUTIONS, BHCs/FHCs, AND BROKERS AND DEALERS IN SECURITIES	FREQUENCY
BC	Report of U.S. Dollar Claims of Depository Institutions, BHCs/FHCs, Brokers, and Dealers on Foreigners	Monthly
BL-1	Report of U.S. Dollar Liabilities of Depository Institutions, BHCs/FHCs, Brokers, and Dealers to Foreigners	Monthly
BL-2	Report of Customers' U.S. Dollar Liabilities to Foreigners	Monthly
BQ-1	Report of Customers' U.S. Dollar Claims on Foreigners	Quarterly
BQ-2, Part 1	Report of Foreign Currency Liabilities and Claims of Depository Institutions, BHCs/FHCs, Brokers and Dealers and of their Domestic Customers vis-à-vis Foreigners	Quarterly
Part 2	Report of Customers' Foreign Currency Liabilities to Foreigners	
BQ-3	Report of Maturities of Selected Liabilities of Depository Institutions, BHCs/FHCs, Brokers, and Dealers to Foreigners	Quarterly

Relationship to Other Statistical Reports

- (1) 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.
- (2) 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 derivatives contracts with foreign residents. Data are collected in aggregate form to facilitate timely reporting
- (3) 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.
- (4) 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 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).
- (5) 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.

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

C. Administrative Issues

Authority

These reports are required by law (22 U.S.C. 286f; 22 U.S.C. 3103; E.O.10033, as amended; 31 C.F.R. 128.1(a)).

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

Penalties

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

Confidentiality

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

Reporting Burden

The Treasury Department has estimated the average burden associated with the collection of information on each B form per respondent, but these will vary widely across reporting institutions: (a) BC - an overall average burden of ten hours, based on eighteen hours for each major respondent and nine hours for each other respondent. (b) BL-1 - an overall average burden of seven hours, based on thirteen hours for each major respondent and six and one-half hours for each other respondent. (c) BL-2 - an overall average of seven and nine-tenth hours, based on twelve hours for each major respondent and six hours for each other respondent. (d) BQ-1 - an overall average of three and one-fifth hours, based on four and one-half hours for each major respondent and two and one-quarter hours for each other respondent. (e) BQ-2 - an overall average of six and three-quarter hours, based on eleven hours for each major respondent and five and one-half hours for each other respondent. (f) BQ-3 - an overall average of four hours per respondent. These estimates include the time it will take to read the instructions, gather the necessary facts, and fill out the forms. Comments concerning the accuracy of these burden estimates and suggestions for reducing reporting burden should be directed to the IA Office of Program Services, U.S. Treasury Department, Washington, D.C. 20220, Attention: International Portfolio Investment Data Systems; or the Office of Management and Budget, Paperwork Reduction Project, Washington, D.C. 20503. (Please reference the appropriate OMB control number as listed above under Authority.)

Requests for Revised Data

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

D. Who Must Report

Reportable Entities

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

- (1) Depository institutions located in the United States, including the following:
 - (a) Commercial banks
 - (b) United States branches and agencies of foreign banks
 - (c) Trust companies that conduct commercial banking business
 - (d) Industrial banks, private or unincorporated banks
 - (e) Banking Edge Act and Agreement corporations

- (f) New York State Article XII corporations
 - (g) Mutual or stock savings banks, building or savings and loan associations, cooperative banks, credit unions, homestead associations, and other similar depository institutions
 - (h) Non-deposit and limited purpose trust companies
 - (i) Non-bank banks
 - (j) The Federal Reserve Bank of New York
- (2) **Bank Holding Companies/Financial Holding Companies (BHCs/FHCs)**
- (3) **Securities brokers and dealers, regardless of their affiliations with other entities (See glossary for definition).**

Consolidation/Combination Rules

U.S.-resident depository institutions, including commercial banks, thrifts, trusts and similar entities owned by a bank holding company (BHC) or financial holding company (FHC) should consolidate all of their United States banking offices including their International Banking Facilities (IBFs). Any depository institution owned by a securities broker or dealer should submit B forms separate from the securities broker or dealer. Any depository institution that is not owned by a holding company or securities broker or dealer should file one consolidated report for all of its United States banking offices. Trusts and Variable Interest Entities (VIEs) for which the reporter is the trustee or primary beneficiary should be included as governed by FIN 46-R.

Bank holding companies/financial holding companies should consolidate their own claims and liabilities and those of any of their U.S.-resident subsidiaries except banking subsidiaries, securities brokers and dealers, and insurance underwriting entities. (Positions of banking subsidiaries and security brokers and dealers are reported on separate TIC "B" forms; positions of insurance underwriting subsidiaries are reported on the TIC C reports.) Trusts and Variable Interest Entities (VIEs) for which the reporter is the trustee or primary beneficiary should be included as governed by FIN 46-R.

Securities brokers and dealers, including those securities brokers and dealers owned by a BHC, FHC, or bank, should prepare consolidated B reports for their securities broker or dealer entities and their non-banking subsidiaries in the United States. Trusts and Variable Interest Entities (VIEs) for which the reporter is the trustee or primary beneficiary should be included as governed by FIN 46-R. Non-broker and dealer parent companies that are not BHCs/FHCs should submit consolidated C reports for themselves and the entities that are not securities brokers and dealers.

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

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

Forms to be Used to Report Cross Border Positions

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

Type of Reporter	TIC B Reports	TIC C Reports
Depository institutions located in the U.S. (including limited purpose banks that are subsidiaries of BHCs/FHCs and of all other companies).	X	
Securities brokers and dealers (including those which are subsidiaries of BHCs/FHCs and of all other companies).	X	
U.S.-resident BHCs/FHCs for themselves and for all U.S.-resident subsidiaries other than depository institutions, securities brokers and dealers, and insurance underwriting companies.	X	
BHCs/FHCs for their U.S.-resident insurance underwriting companies.		X
U.S. holding companies other than BHCs/FHCs (for themselves and for all of their U.S.-resident subsidiaries other than depository institutions and securities brokers and dealers).		X
All other U.S.-resident entities that are <u>not</u> more than 50 percent owned by another U.S.-resident entity.		X

Exemption Levels

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

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

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

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

E. Accounting Issues

General

All amounts should be reported gross, using settlement date accounting. Amounts should be reported in millions of U.S. dollars at the face value of the instrument. Do not enter decimals or negative values in any cell of a form. (Claims with negative balances should be reported as liabilities; liabilities with negative balances should be reported as claims.)

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

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

Charge-offs

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

F. Reporting the Location of Foreign Counterparties

Countries and Other Areas

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

Examples

- (1) A respondent has a reportable liability denominated in yen to a British company located in Italy. A Spanish bank guarantees the liability. The liability should be reported opposite the location in which the direct counterparty resides (Italy), not the location of the guarantor (Spain) or the nationality of the counterparty (United Kingdom).
- (2) A respondent has a reportable claim on a Cayman Islands branch of a U.S. bank. The claim should be reported opposite the location in which the direct counterparty resides (Cayman Islands), not the location of that bank's head office (United States).

Exceptions

- (1) Positions with branches or agencies of Foreign Official Institutions should be reported opposite the country that owns the Foreign Official Institution. (A list of Foreign Official Institutions is located in Appendix C.)
- (2) Positions with the Bank for International Settlements (BIS), the European Central Bank (ECB), the Eastern Caribbean Central Bank (ECCB), the Central Bank of West African States (BCEAO), and the Bank of Central African States (BEAC) should each be reported opposite their name in the list of Foreign Economies and Organizations.
- (3) Positions with the Red Cross and the Institute of International Finance are reported as International. (Note: These institutions are "other foreigners", not Foreign Official Institutions.)

- (4) Positions with international and multi-national regional organizations, whether located in the United States or elsewhere, should be reported opposite the classification "International", if worldwide, or opposite the classifications "European," "Latin American," "Caribbean," "Asian," "African," or "Middle Eastern" regional organizations, as appropriate. (Note: A list of international and regional organizations is located in the last part of Appendix B.) Examples of some of these organizations, which are located in the United States, are:

<u>Organization</u>	<u>Reporting Classification</u>
The World Bank/International Bank for Reconstruction and Development (IBRD)	International
International Development Association (IDA)	International
International Finance Corporation (IFC)	International
International Monetary Fund (IMF)	International
Inter-American Development Bank (IAD)	Latin American
Multilateral Investment Guaranty Agency (MIGA)	International
Organization of Central American States (OCAS)	Latin American
United Nations	International
World Health Organization	International

G. Submission of Reports

Where to Report

Depository institutions and Bank Holding Companies and Financial Holding Companies (BHCs/FHCs) should file with the Federal Reserve Bank in the District in which the reporter is located, unless instructed otherwise by the Reserve Bank in the District in which the entity has its head office. Securities brokers and dealers (including securities brokers and dealers owned by BHCs/FHCs) should file their reports with the Federal Reserve Bank of New York, regardless of their location.

Due Dates

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

FORM	FREQUENCY	DATE TO BE RECEIVED
BC BL-1 BL-2	Monthly	No later than the 15 th calendar day following the last day of the month
BQ-1 BQ-2 BQ-3	Quarterly	No later than the 20 th calendar day following the last day of March, June, September, and December

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

Alternative Methods of Reporting

Data may be submitted through the Worldwide Web. Internet Electronic Submission System (IESUB) is fast, easy to use, and secure. You can submit reports quickly and easily either using online data entry or via spreadsheet file transfer. Spreadsheet file transfer allows reporters to use machine-generated data. IESUB provides a confirmation of data receipt at the Federal Reserve Bank and checks the validity of your submission. IESUB saves time and delivery costs, avoids possible mail delays, and eliminates paper and fax transmissions. For more information on IESUB, log on to <http://www.reportingandreserves.org/iesub.html> or call your Federal Reserve Bank contact for TIC reporting.

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

Signature Requirements

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

Reporter ID Number

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

Record Keeping Requirement

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

II. TIC Form BC– Report of U.S. Dollar Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers on Foreigners

A. What to Report

Reportable Claims

Report all U.S. dollar-denominated claims on foreigners, including affiliates, own foreign offices (both banking and nonbanking), and unaffiliated counterparties unless specifically excluded. Claims are defined consistently with regulatory reports such as the FFIEC “Call” reports and include all amounts in the reporter’s “Due to/due from” accounts, unless in an instrument that is specifically excluded below.

Reportable claims include:

- (1) Deposit balances due from banks of any maturity (including non-negotiable CDs)
- (2) Negotiable certificates of deposit of any maturity
- (3) Brokerage balances (see glossary for more information)
- (4) Customers’ overdrawn accounts
- (5) Loans and loan participations of any maturity
- (6) Resale agreements and similar financing agreements
- (7) Short-term negotiable and non-negotiable securities (original maturity of one year or less)
- (8) Money market instruments (e.g., commercial paper, bankers’ acceptances) with an original maturity of one year or less

All reportable claims should be reported gross (e.g., no FIN 41 or FIN 39 netting).

Specific Exclusions

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

- (5) Precious metals (e.g., gold, silver) and currencies in transit to or from the United States or held outside the United States for the account of the reporter.
- (6) Foreign currency-denominated claims. (These should be reported on the BQ-2.)
- (7) Securities borrowing agreements in which one security is borrowed in return for another. (Resale type agreements, including securities lending, are reportable only if the reporter transferred cash in return for the security.)

B. Column Definitions

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

Type of Foreign Counterparty

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

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

Foreign Official Institutions are:

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

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

All Other Foreigners (Columns 4 and 5)

All Other Foreigners are all foreign entities that do not meet the definitions of a foreign bank, or Foreign Official Institution. These entities include foreign securities brokers and dealers, departments and agencies of foreign state, provincial, and local governments, foreign government-sponsored corporations, and other foreign financial and non-financial corporations, partnerships, and individuals. Include in these columns, positions with affiliated foreign nonbanking offices and subsidiaries of the reporter.

Type of Instrument

Non-Negotiable Foreign Deposits (Column 1)

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

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

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

Other (Columns 3 and 5)

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

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

All Short-Term Negotiable Securities (Column 4)

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

"Of Which" Column Items (Columns 7, 8, and 9)

Foreign Official Institutions (Column 7)

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

Own Foreign Offices (Column 8)

Report all claims included in columns 1 through 5 that are due from the reporter's own foreign offices (both banking and nonbanking), including any direct foreign parent and any non-U.S. branch or agency. Depository institutions should exclude claims due from offices of affiliated banks and non-banking offices of the reporter's parent, even though these claims are reportable in columns 1-5.

Resale Agreements (Column 9)

Report the amounts included in columns 3 and 5 that represent funds loaned to foreigners under resale agreements and similar financing arrangements. These amounts should be reported gross (i.e., no FIN 41 netting).

C. Memorandum Section Definitions

Total IBF Assets (8300-3)

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

Negotiable CDs (8110-8)

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

Assets Written Off This Reporting Period (8200-9)

Report the amount of charge-offs or specific reserves for reportable claims taken partially or entirely during the reporting period. Only report charge-offs during the period in which they were established. Do not include general reserves. (See General Instructions Section I.E for detailed information on charge-offs.)

III. TIC Form BL-1– Report of U.S. Dollar Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers to Foreigners

A. What to Report

Reportable Liabilities

Report all U.S. dollar-denominated liabilities to foreigners including affiliates, own foreign offices (both banking and nonbanking), and unaffiliated counterparties, unless specifically excluded. Liabilities are defined consistently with regulatory reports such as the FFIEC “Call” reports and include all amounts in the reporter’s “Due to/due from” accounts, unless in an instrument that is specifically excluded below.

Reportable liabilities include:

- (1) Non-negotiable deposits of any maturity, including non-negotiable certificates of deposit
- (2) Brokerage balances (See glossary for further information)
- (3) Overdrawn deposit accounts
- (4) Loans of any maturity excluding drawn syndicated loans where there is a U.S. administrative agent (See glossary for more information)
- (5) Short-term non-negotiable securities (an original maturity of one year or less)
- (6) Repurchase agreements and similar financing agreements

All reportable liabilities should be reported gross (e.g., no FIN 41 or FIN 39 netting).

Specific Exclusions

- (1) Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales transactions with foreigners of long-term securities should be reported on the TIC S.)
- (2) Negotiable certificates of deposit. These should be reported by the U.S. custodian on the BL-2 (if dollar-denominated) or BQ-2 (if foreign currency-denominated).
- (3) Negotiable short-term securities. These should be reported by the U.S. custodian on the BL-2 (if dollar-denominated) or BQ-2 (if foreign currency-denominated).
- (4) Contingent liabilities.
- (5) Derivatives, including forwards, futures, options, swaps, and warrants.
- (6) Spot foreign exchange contracts.

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

B. Column Definitions

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

Type of Foreign Counterparty

Foreign Official Institutions (Columns 1 and 2)

Foreign Official Institutions are:

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

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

Foreign Banks (Columns 3 and 4)

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

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

All Other Foreigners (Columns 5 and 6)

All Other Foreigners are all foreign entities that do not meet the definition of a Foreign Official Institution or a foreign bank. These entities include foreign securities brokers and dealers, departments and agencies of foreign state, provincial, and local governments, foreign government-sponsored corporations, and other foreign financial and non-financial corporations, partnerships, and individuals. Include in these columns, positions with foreign affiliated non-banking offices and subsidiaries of the reporter.

Type of Instrument

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

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

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

Other (Columns 2, 4, and 6)

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

"Of Which" Items (Columns 8 and 9)

Own Foreign Offices (Column 8)

Report all liabilities included in columns 3, 4, 5, and 6 that are due to the reporter's own foreign offices (both banking and nonbanking), including any direct foreign parent and any non-U.S. branch or agency. Depository institutions should exclude liabilities due to offices of affiliated banks and non-banking offices of the reporter's parent, even though these liabilities are reportable in columns 3 through 6.

Repurchase Agreements (Column 9)

Report the amounts included in columns 2, 4, and 6 that represent funds borrowed under repurchase agreements and similar financing agreements. These amounts should be reported gross (i.e. no FIN 41 netting).

C. Memorandum Section Definitions

IBF Liabilities (8300-3)

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

Repurchase Agreements (8400-7)

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

Non-interest Bearing Liabilities (8130-2)

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

IV. TIC Form BL-2– Report of Customers' U.S. Dollar Liabilities to Foreigners

A. What To Report

Reportable Customers' Liabilities

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

(1) Custody Items

Include liabilities of U.S. residents which a reporter holds in custody for the account of foreign residents. Reportable custody items are:

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

(2) Liabilities to Managed Foreign Offices

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

(3) Loans Placed Overseas

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

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

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

Specific Exclusions

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

Reporting of Securities

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

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

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

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

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

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

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

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

B. Column Definitions

Type of Foreign Holder

Foreign Official Institutions (Columns 1, 2 and 3)

Foreign Official Institutions are:

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

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

Foreign Banks (Columns 4, 5 and 6)

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

All Other Foreigners (Columns 7, 8 and 9)

All Other Foreigners are all foreign entities that do not meet the definition of a Foreign Official Institution or of a foreign bank. These entities include foreign securities brokers and dealers, departments and agencies of foreign state, provincial, and local governments, foreign government-sponsored corporations, and other foreign financial and non-financial corporations, partnerships, and individuals. Include in these columns, holdings of foreign affiliated nonbanking offices and subsidiaries of the reporter.

Type of Instrument

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

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

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

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

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

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

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

Negotiable Certificates of Deposits Held for Foreigners in Columns 2, 5 or 8 (Column 11)

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

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

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

Bank Debt

Total Bank Debt Row (8102-7)

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

Loans to Banks Row (8141-8)

Report all loans (see glossary for definition) to U.S. banks from foreigners that are included in the Total Bank Debt Row (8102-7).

Short-term Negotiable Securities Issued by Banks Row (8142-6)

Report the total of all short-term (original maturity of one year or less) negotiable securities issued by U.S. banks held by foreigners that are included in the Total Bank Debt Row (8102-7). Do not include negotiable certificates of deposit and non-negotiable securities.

Total Government

Total General Government Row (8144-2)

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

U.S. Agencies Row (8146-9)

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

enterprises, even if the underlying collateral is government guaranteed. These should be reported in the Other Short-term Negotiable Securities row (8150-3).

Other Sectors

Other Short-term Negotiable Securities Row (8150-3)

Report all short-term (original maturity of one year or less) negotiable securities issued by institutions other than U.S. banks (reported in Row 8142-6), the federal government, state and local governments and U.S. agencies (as defined above) held by foreigners that were reported in column 10 of the Grand Total (9999-6).

Loans to Others Row (8155-8)

Report all loans (see glossary for definition) from foreigners to U.S. residents other than to U.S. banks (reported in row 8141-8), governments, and U.S. agencies that were reported in the Grand Total Row (9999-6). Include in this row loans to U.S. residents from foreigners that are serviced by the reporter (or the reporter acts as administrative agent), and loans to non-bank U.S. residents from managed offices of the reporter.

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

A. What to Report

Reportable Customers' Claims

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

(1) Custody Items

Include all liabilities of foreign residents that the reporter holds in custody for the account of U.S. residents. Reportable custody items are:

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

(2) Claims on Managed Offices

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

(3) Funds Placed Overseas

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

(4) Brokerage Balances

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

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

All reportable claims should be reported gross (e.g., not FIN 41 or FIN 39 netting).

Specific Exclusions

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

B. Column Definitions

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

Non-Negotiable Foreign Deposits (Column 1)

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

Negotiable CDs (Column 2)

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

All Short-Term Negotiable Securities (Column 3)

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

Other Claims (Column 4)

Report U.S. residents' holdings of all reportable claims (See Section V.A, What To Report) other than non-negotiable foreign deposits (Column 1), negotiable CDs (Column 2), and short-term negotiable securities (Column 3). Include in this column U.S. residents' holdings of short-term non-negotiable securities issued by foreigners and all claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices in the form of a borrowing under pre-arranged "sweep" agreements (see glossary for more information.) Funds transferred into deposit accounts at foreign offices under pre-arranged "sweep" agreements are reported in column 1. Also include claims in the form of a borrowing by U.S. residents on managed foreign offices of the reporter.

C. Memorandum Section Definitions ("Of Which" Rows)

Commercial Paper (8161-2)

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

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

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

VI. TIC Form BQ-2: Part 1- Report of Foreign Currency Liabilities and Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers and Dealers, and of their Domestic Customers vis-à-vis Foreigners; Part 2- Report of Customers' Foreign Currency Liabilities to Foreigners

A. What to Report (Part 1)

Reportable Own Liabilities (Columns 1 and 2)

Report all foreign currency-denominated liabilities (converted to U.S. dollars using the spot exchange rate on the as of date) to foreigners including affiliates, foreign offices (both banking and nonbanking), and unaffiliated counterparties, unless specifically excluded. Liabilities are defined consistently with regulatory reports such as the FFIEC "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

Reportable liabilities include:

- (1) Non-negotiable deposits of any maturity, including non-negotiable certificates of deposit
- (2) Brokerage balances (See glossary for further information)
- (3) Overdrawn deposit accounts
- (4) Loans of any maturity (see glossary for more information).
- (5) Short-term non-negotiable securities (an original maturity of one year or less)
- (6) Repurchase agreements and similar financing agreements

All reportable liabilities should be reported gross (e.g., no FIN 41 or FIN 39 netting).

Specific Exclusions

- (1) Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution. (Purchases and sales transactions with foreigners of long-term securities should be reported on the TIC S.)
- (2) Negotiable certificates of deposit. These should be reported by the U.S. custodian on Part 2 of this form (if foreign currency-denominated) or BL-2 (if dollar-denominated).
- (3) Negotiable short-term securities. These should be reported by the U.S. custodian on Part 2 of this form (if foreign currency-denominated) or BL-2 (if dollar-denominated).
- (4) Contingent liabilities
- (5) Derivatives, including forwards, futures, options, swaps, and warrants.

- (6) Spot foreign exchange contracts.
- (7) Precious metals (e.g., gold, silver) and currencies held in the respondent's vaults for foreign residents, in transit to or from the United States, or held outside the United States for the respondent's account or the account of the respondent's customers located in the United States.
- (8) U.S. dollar-denominated liabilities. (These should be reported on the BL-1.)
- (9) Foreigners' deposits or brokerage balances swept into money market or other mutual funds. (These should be reported on the TIC S.)
- (10) Securities lending agreements in which one security is lent in return for another. (Repurchase-type agreements are reportable only if the reporter has lent a security for cash.)

Reportable Own Claims (Columns 3 and 4)

Report all foreign currency-denominated claims (converted to U.S. dollars using the spot exchange rate on the as of date) on foreigners including affiliates, own foreign offices (both banking and nonbanking) and unaffiliated counterparties unless specifically excluded. Claims are defined consistently with regulatory reports such as the FFIEC "Call" reports and include all amounts in the reporter's "Due to/due from" accounts, unless in an instrument that is specifically excluded below.

Reportable claims include:

- (1) Deposit balances due from banks of any maturity, including non-negotiable certificates of deposit
- (2) Negotiable certificates of deposit of any maturity
- (3) Brokerage balances (see glossary for more information)
- (4) Customers' overdrawn accounts
- (5) Loans and loan participations of any maturity
- (6) Resale agreements and similar financing agreements
- (7) Short-term negotiable and non-negotiable securities (original maturity of one year or less)
- (8) Money market instruments (e.g., commercial paper, bankers' acceptances) with an original maturity of one year or less

All reportable claims should be reported gross (e.g., no FIN 41 or FIN 39 netting).

Specific Exclusions

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

Reportable Customers' Claims (Columns 5 and 6)

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

(1) Custody Items

Include all liabilities of foreign residents which the reporter holds in custody for the account of U.S. residents. Reportable custody items are:

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

(2) Claims on Managed offices

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

(3) Funds Placed Overseas

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

(4) Brokerage Balances

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

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

Specific Exclusions

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

B. Column Definitions (Part 1)

Type of Instrument—Own Liabilities

Non-Negotiable Deposits (Column 1)

Depository institutions should report all non-negotiable deposit liabilities, including demand, time, and savings deposits and non-negotiable certificates of deposits (but not negotiable certificates of deposit), including those placed at its International Banking Facility (IBFs). Depository institutions and securities brokers and dealers should report all brokerage balances of foreign residents. Brokerage balances are cash balances held in brokerage and margin

accounts of foreigners, including affiliated foreigners, whether these funds may be freely withdrawn or are held to support positions in futures, securities or other financial instruments. (See glossary for further information.)

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

Other Liabilities (Column 2)

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

Type of Instrument—Own Claims

Non-Negotiable Foreign Deposits (Column 3)

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

Other Claims (Column 4)

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

Type of Instrument—Customers' Claims

Non-Negotiable Foreign Deposits (Column 5)

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

Other Customers' Claims (Column 6)

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

C. Memorandum Section Definitions (Part 1)

Total IBF Liabilities/Assets (8300-3)

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

Foreign Currency Detail (8500-1 to 8500-4)

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

Negotiable CDs (8110-8)

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

Short-Term Negotiable Securities (8120-5)

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

Repurchase/Resale Agreements (8400-7)

In column 2, report the amounts included in the Grand Total row (9999-6) which represent funds borrowed from foreigners under repurchase agreements and similar financing arrangements. In column 4 report the amounts included in the Grand Total row (9999-6) which represent funds loaned to foreigners under resale agreements and similar financing arrangements. These amounts should be reported gross (i.e., no FIN 41 netting).

D. What to Report (Part 2)

Reportable Customers' Liabilities

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

(1) Custody Items

Include liabilities of U.S. residents held in custody for the account of foreign residents. Reportable custody items are:

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

(2) Liabilities to Managed Foreign Offices

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

(3) Loans Placed Overseas

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

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

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

Specific Exclusions

- (1) Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures.
- (2) Precious metals (e.g., gold, silver) and currencies held in reporter's vaults for foreign-residents.

- (3) Assets, including short-term securities held in custody for customers, which have been temporarily received by foreign residents as collateral under resale agreements or similar financing agreements.
- (4) U.S. dollar-denominated liabilities. (These should be reported on the BL-2).
- (5) Short-term non-negotiable securities issued by your own institution. (These should be reported on the BL-1, if U.S. dollar-denominated or on the BQ-2, Part 1, if foreign currency-denominated.)

Reporting of Securities

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

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

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

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

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

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

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

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

E. Column Definitions (Part 2)

Type of Instrument

Negotiable CDs (Column 1)

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

All Short-term Negotiable Securities (Column 2)

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

Other Liabilities (Column 3)

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

VII. TIC Form BQ-3 - Report of Maturities of Selected Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers and Dealers, to Foreigners

A. What to Report

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

B. Column Definitions

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

Non-Negotiable Deposits & Brokerage Balances (Column 1)

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

Repurchase Agreements and Other Liabilities (Column 2)

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

Loan Liabilities (Column 3)

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

C. Row Definitions

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

Demand Deposits (8010-1)

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

Arrears (8020-9)

In each column, report the amount of liabilities to foreigners (both U.S. dollar- and foreign currency-denominated) that are past due. A liability is past due when principal or interest due is unpaid for 30 days or more.

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

In each column, report non-interest bearing liabilities to foreigners (both U.S. dollar- and foreign currency-denominated) that have no stated maturity or that rollover under continuing contract excluding demand deposits and brokerage balances (reported in row 8010-1). (Items originally sold at a discount are considered interest-bearing, even if they do not have a stated interest payment. Therefore, no liabilities sold at a discount should be reported in this row.)

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

In each column, report interest bearing liabilities to foreigners (both U.S. dollar- and foreign currency-denominated) that have no stated maturity.

Other, 90 Days or Less (8051-9)

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

Over 90 Days to 180 Days (8052-7)

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

Over 180 Days to 270 Days (8053-5)

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

Over 270 Days to 1 Year (8054-3)

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

Over 1 Year to 2 Years (8055-1)

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

Over 2 Years (8057-8)

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

VIII. Glossary

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

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

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

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

- Cash proceeds from selling securities short.
- Cash margin or collateral placed to support open positions in futures (initial, maintenance and margin) or options on exchanges, over-the-counter derivatives, and excess cash margin or collateral retained from previous settlements of positions.
- Cash margin lent to foreigners for their purchases of securities.
- Cash interest and dividends on securities that have been pledged as collateral with foreigners.

Brokerage balances held at foreign entities should be reported on the BC (if they are the reporter's own dollar claims), on the BQ-1 (if they are U.S. dollar-denominated customer claims of a reporter), or on the BQ-2 (if they are foreign currency-denominated claims). Liabilities to foreigners from brokerage balances should be reported on the BL-1 (if they are the reporter's own dollar liabilities) and on the BQ-2 (if they are foreign currency denominated liabilities).

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

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

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

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

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

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

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

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

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

Direct Investment – A direct investment relationship exists when one firm owns 10% or more of the voting securities of another incorporated business, or an equivalent interest in an unincorporated business, including a branch. If a direct investment relationship exists, then generally, all financial flows between the firms are considered direct investment. However, for banking institutions direct investment is limited to intercompany holdings that are permanent investment. In general, all positions between affiliated firms, including investment claims and liabilities, are reportable on the TIC B forms.

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

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

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

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

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

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

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

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

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

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

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

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

Overdraft – An overdraft exists when a depository institution honors a check or draft drawn against a deposit account in which insufficient funds are held. Overdrafts should be reported gross and not netted against good balances. Overdrawn accounts at foreign banks are reported on the BL-1. Foreign customers' overdrawn accounts are reported on the BC.

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

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

Except as otherwise noted below under the discussion of FAS Statement No. 140, all repurchase and resale agreement transactions with foreigners in which cash balances are provided as part of the transaction, are to be reported as borrowings from, or loans to, foreigners collateralized by the underlying assets. In each case the amount of cash received/provided should be reported. In particular:

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

Please note that all repurchase agreements should be reported gross (i.e., FIN 41 should not be applied).

If a repurchase agreement does not qualify as a secured borrowing under FAS Statement No. 140, the selling institution should account for the transaction as a sale of financial assets and a forward commitment to repurchase the security. Similarly, if a resale agreement does not qualify as a borrowing under FAS Statement No. 140, the purchasing institution should account for the transaction as a purchase of financial assets and a commitment to sell. In these cases, the transfer of the securities should be reported on the TIC S and the exchange of cash should be excluded from the TIC B forms. Securities lending agreements in which one security is loaned in return for another are not reportable on the TIC forms.

Securities – Securities are any bill, note, bond, debenture, equity or similar instrument that is commonly referred to as a security, excluding certificates of deposit. (In cases where it is not clear if a specific instrument is a security, contact the Federal Reserve Bank to which you

submit your TIC reports.) Securities may be negotiable (tradable in secondary markets) or non-negotiable (not tradable in secondary markets).

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

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

The Reporting of Short-Term Securities

Situation	Where to Report
<u>Claims</u>	
A TIC B reporter holds a foreign security for its own account	BC (if U.S. dollar-denominated) BQ-2, Part 1 (otherwise)
A TIC B reporter holds a foreign security for the account of another institution/person	BQ-1 (if U.S. dollar-denominated) BQ-2, Part 1 (otherwise)
<u>Liabilities</u>	
A TIC B reporter issues a <u>non-negotiable</u> security to a foreigner (or to anyone in a foreign market)	BL-1 (if U.S. dollar-denominated) BQ-2, Part 1 (otherwise)
A TIC B reporter issues a <u>negotiable</u> security (including all bearer instruments) in a foreign market (unless the security is known to be held by a U.S. custodian other than the reporter)	BL-2 (if U.S. dollar-denominated) BQ-2, Part 2 (otherwise)
A TIC B reporter holds a <u>negotiable</u> or <u>non-negotiable</u> security issued by a U.S. resident than other than itself, for a foreign owner	BL-2 (if U.S. dollar-denominated) BQ-2, Part 2 (otherwise)

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

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

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

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

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

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

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

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

APPENDIX A
Reporting Requirement Flowcharts

A. Treatment of Short-term Securities and CDs

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

Flowchart 1a - A U.S.-resident custodian is used

Flowchart 1b - Two U.S.-resident custodians are used

Flowchart 1c - No U.S.-resident custodian is used for a negotiable instrument

Flowchart 1d - No U.S.-resident custodian is used for a non-negotiable instrument

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

Flowchart 2a - A U.S.-resident custodian is used

Flowchart 2b - No U.S.-resident custodian is used

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

B. Treatment of Other Claims and Liabilities

Situation 3 - A U.S. resident has a loan from a foreigner which is serviced by a TIC B reporter (U.S.-resident BHC/FHC, depository institution, or securities broker or dealer)

Flowchart 3 - Responsibility of loan servicing office

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

Flowchart 4a - Claims of a U.S. resident other than a BHC/FHC, depository institution, or securities broker or dealer

Flowchart 4b - Claims of a U.S.-resident BHC/FHC, depository institution, or securities broker or dealer

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

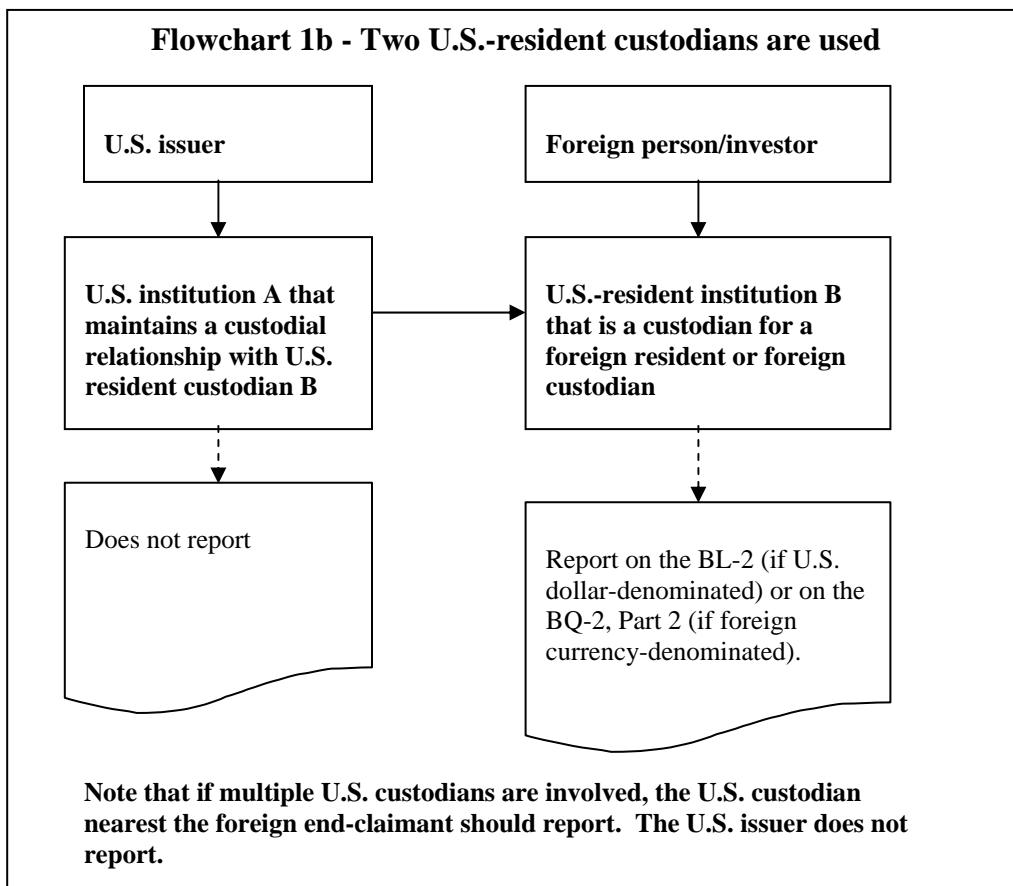
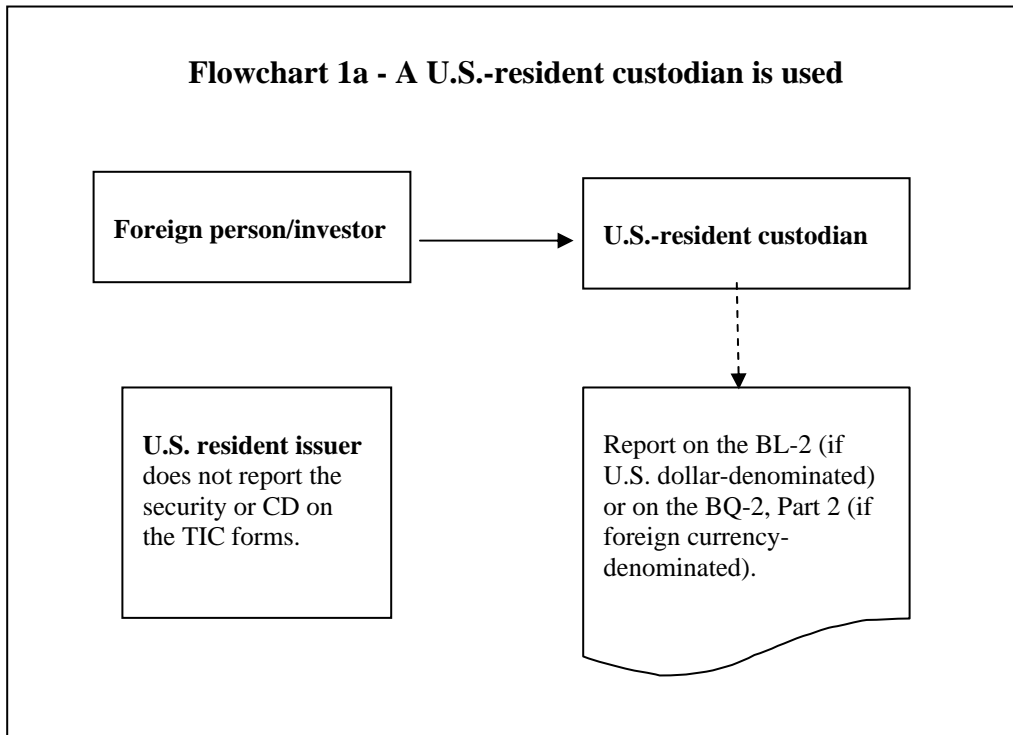
Flowchart 5 - Funds "swept" overseas

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

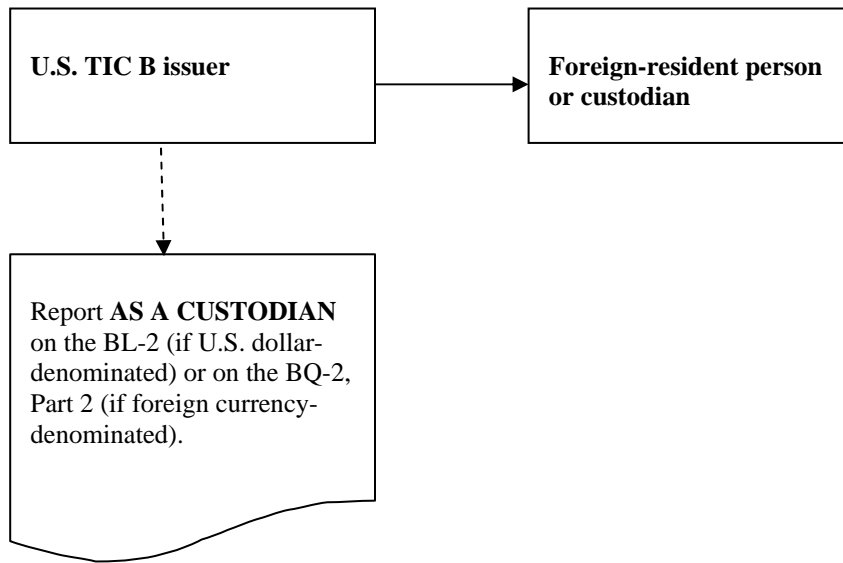
Flowchart 6a - A U.S.-resident administrative agent is used

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

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

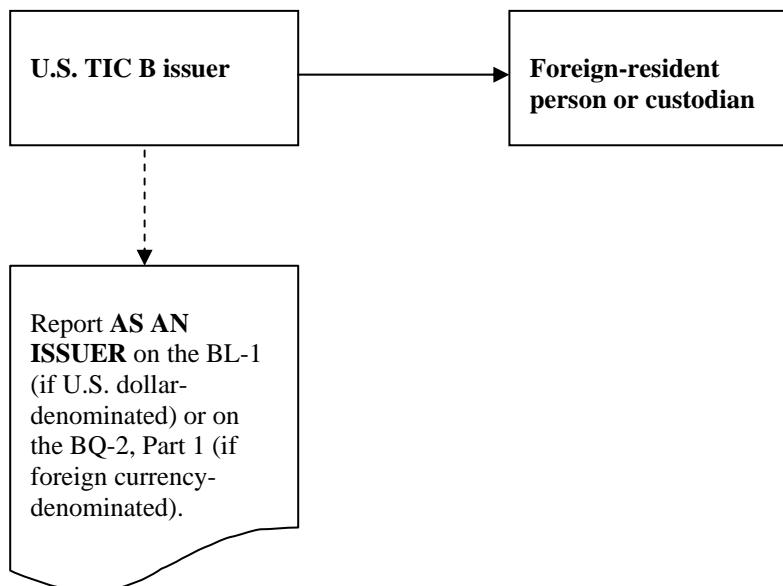


Flowchart 1c - No U.S.-resident custodian is used for a negotiable instrument



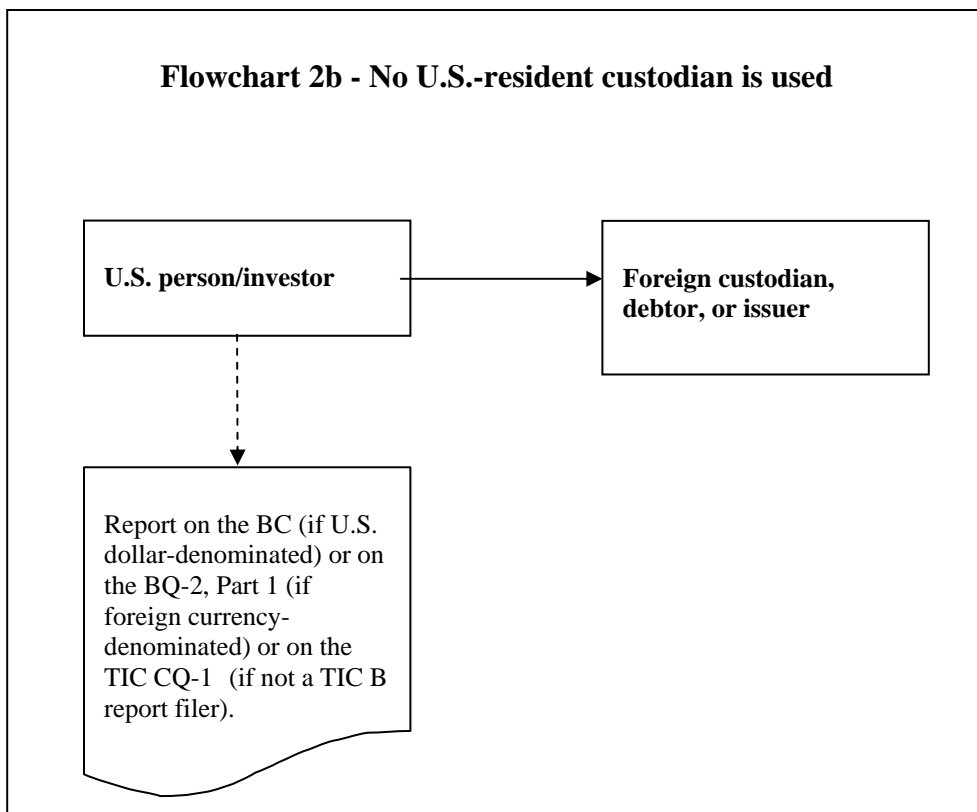
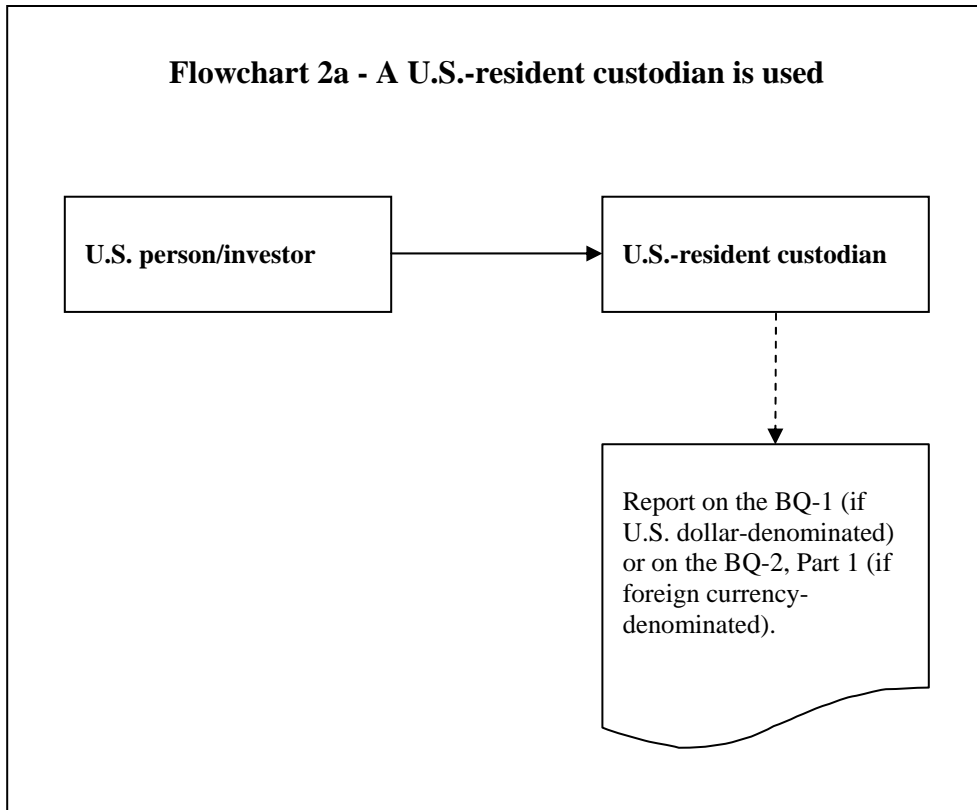
Note: All negotiable securities and negotiable CDs issued directly in a foreign market should be reported in this manner.

Flowchart 1d - No U.S.-resident custodian is used for a non-negotiable instrument

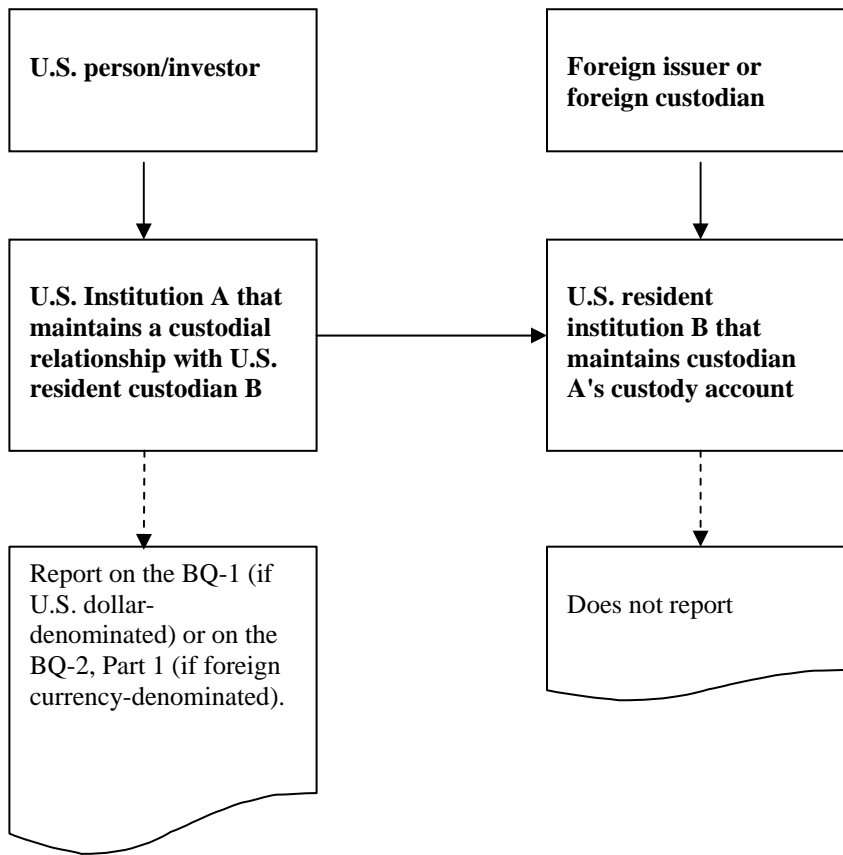


Note: On the BL-1, non-negotiable CDs are reported as "non-negotiable deposits" and non-negotiable short-term securities are reported as "other."

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

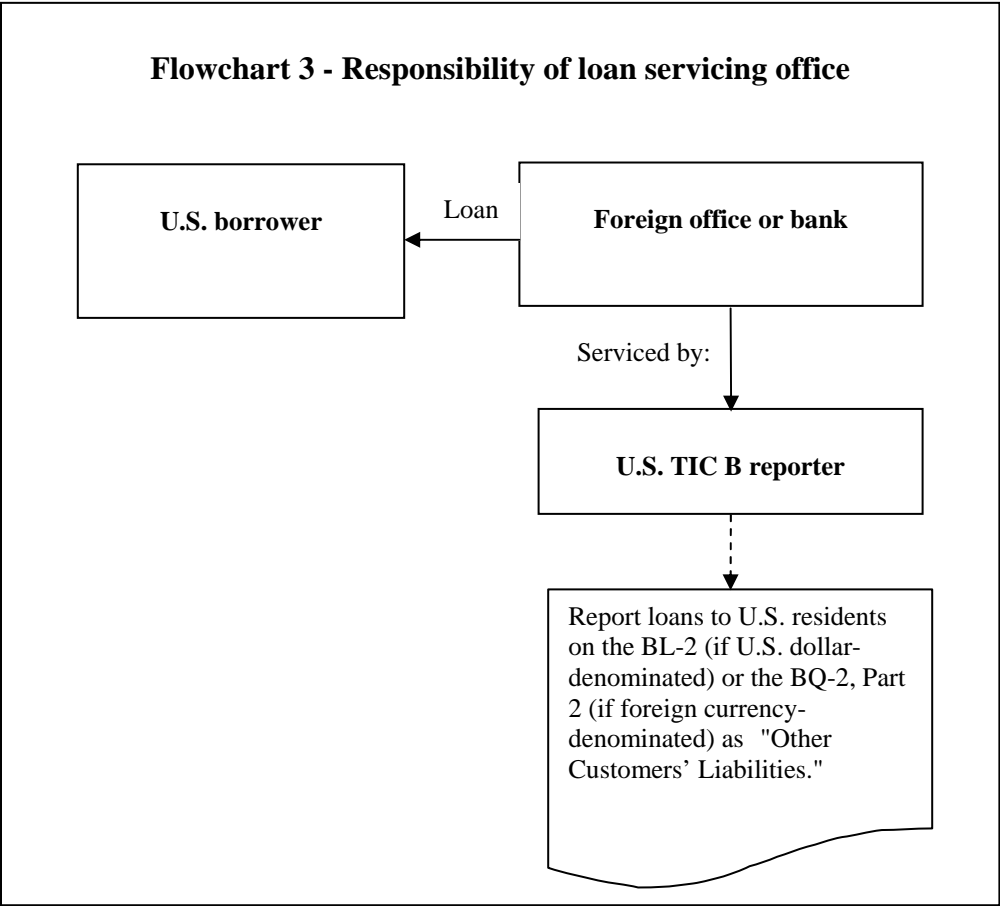


Flowchart 2c - A U.S.-resident custodian and a U.S.-resident subcustodian are used

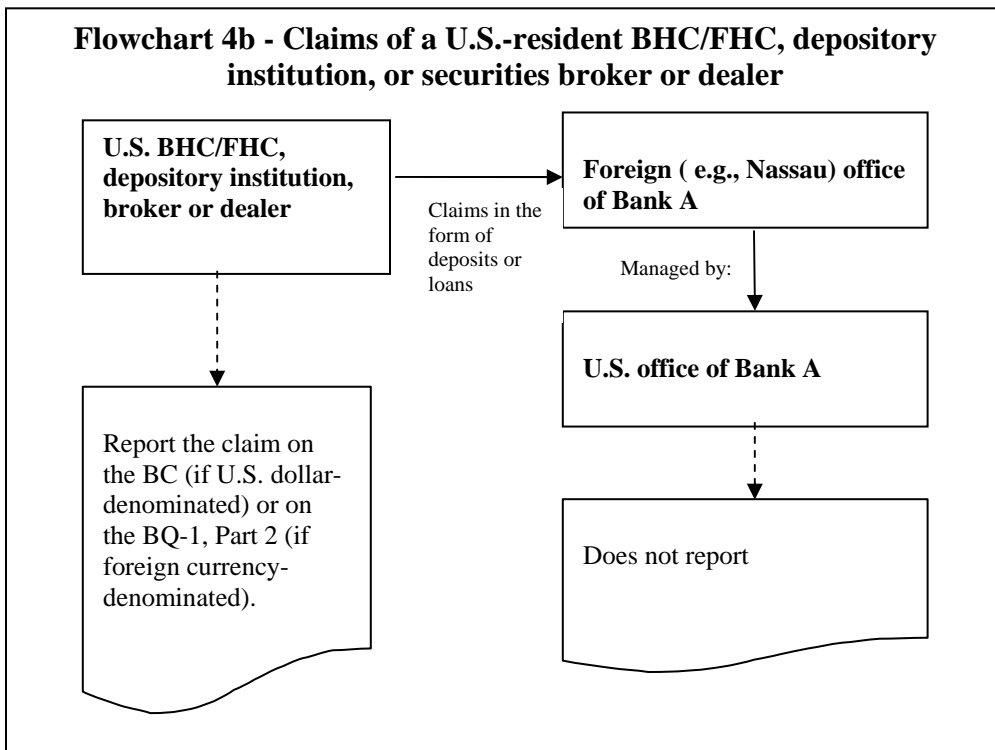
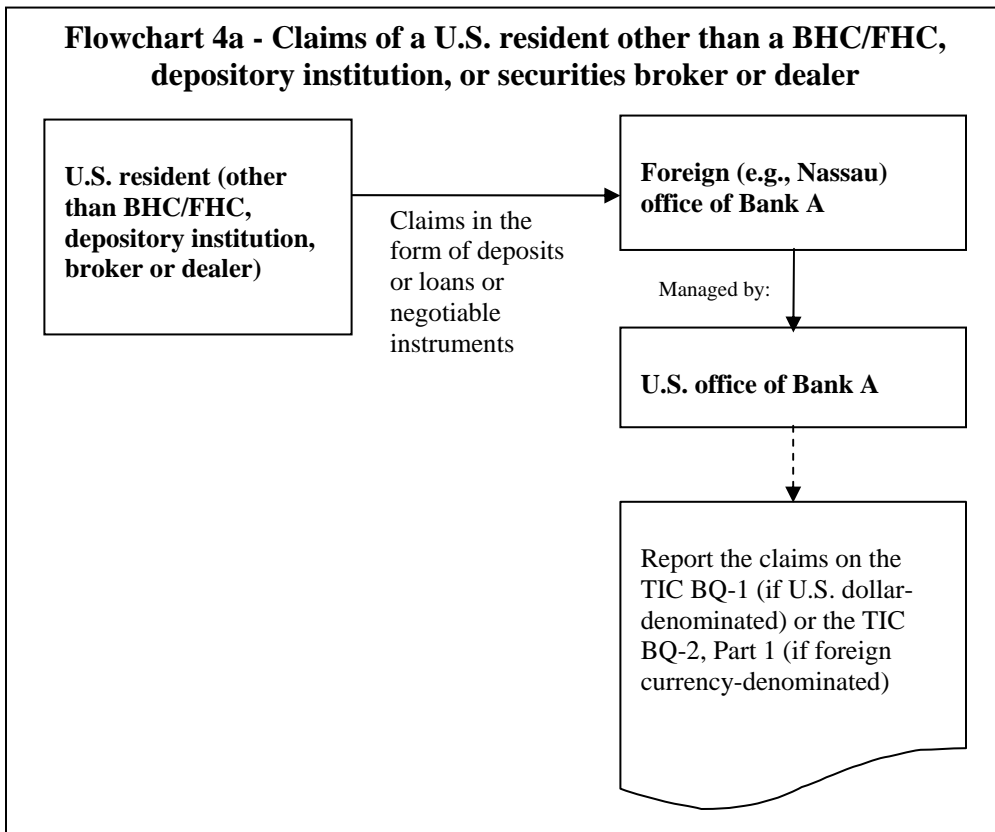


Note that the custodian closest to the U.S.-resident claimant reports.

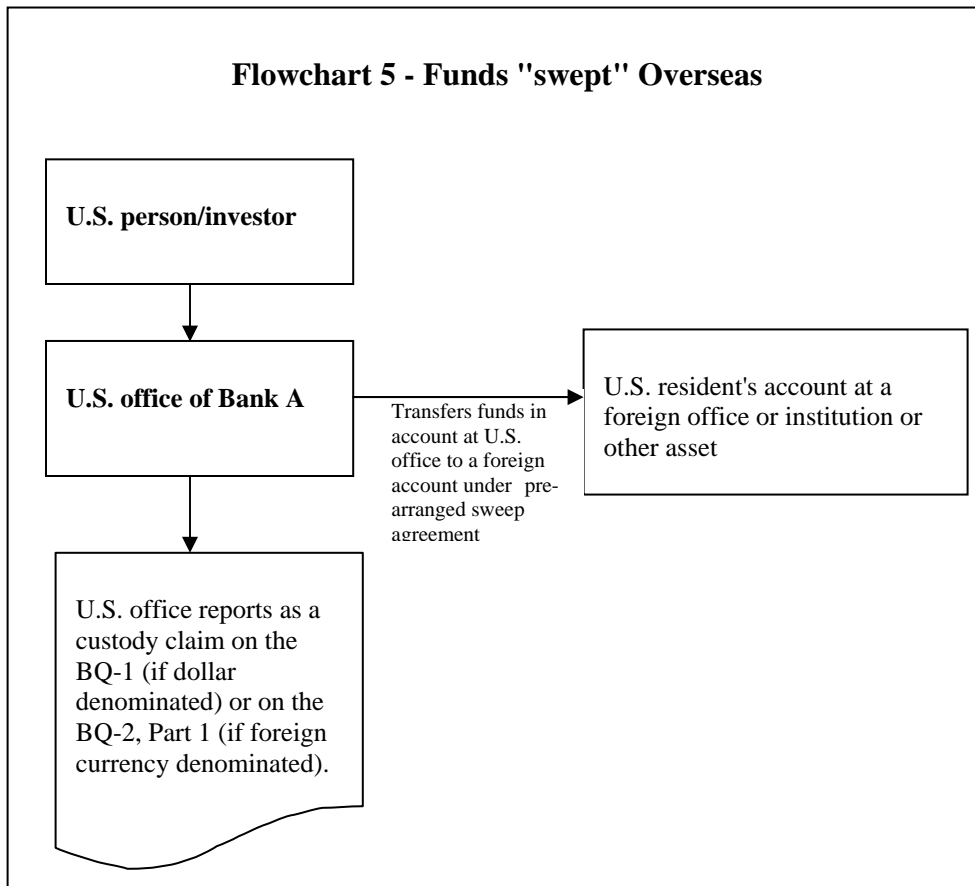
Situation 3 - A U.S. resident has a loan from a foreigner which is serviced by a TIC B reporter (U.S.-resident BHC/FHC, depository institution, or securities broker or dealer)



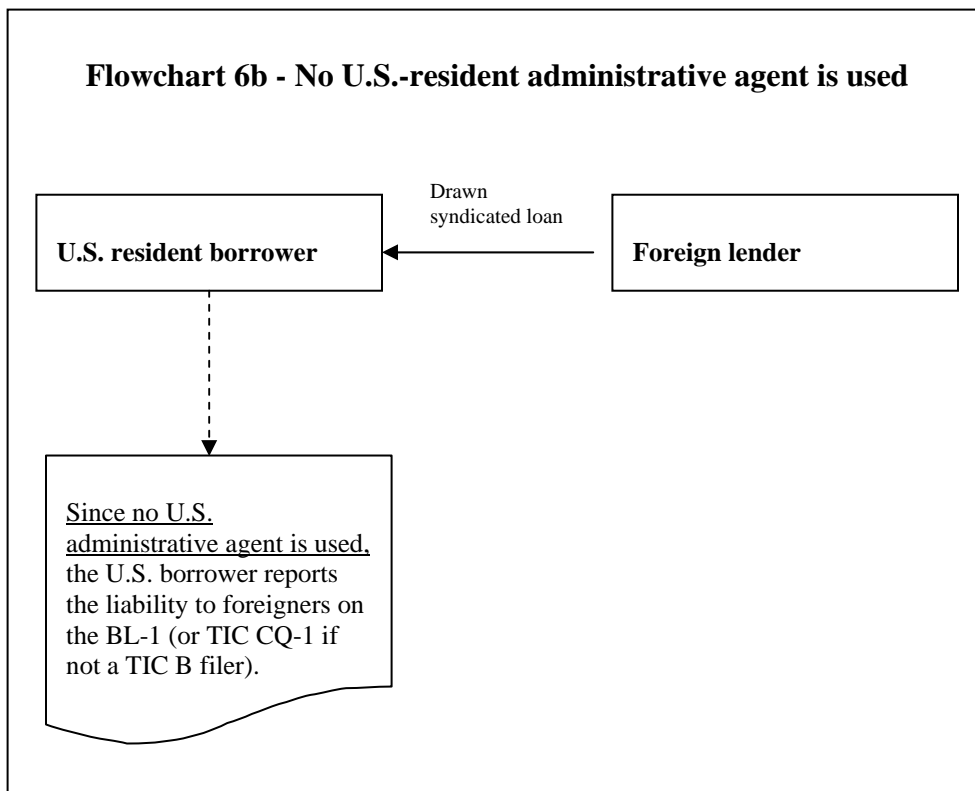
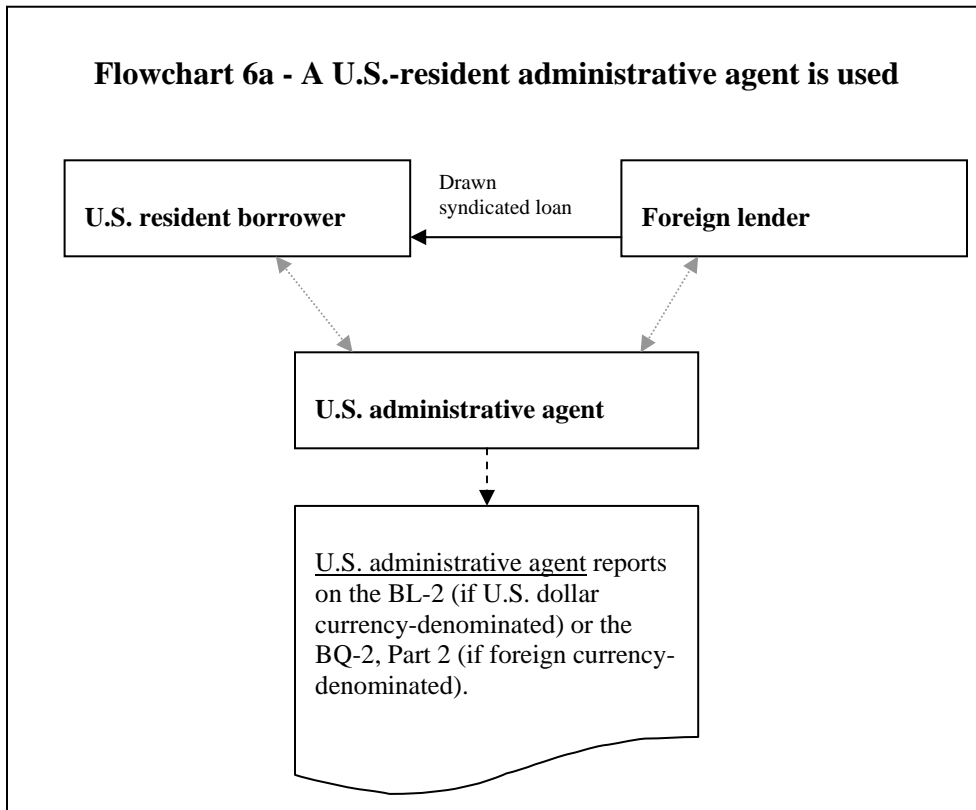
Situation 4 - A U.S. resident has a claim on a foreign office which is managed by the U.S. office of a depository institution



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



Situation 6 - Drawn Syndicated loans of U.S. residents held by foreigners



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, next to these instructions, at:
<http://www.treas.gov/tic/forms-b.shtml>**

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.

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<http://www.treas.gov/tic/forms-b.shtml>