

INSTRUCTIONS
FOR
TREASURY INTERNATIONAL CAPITAL (TIC)
BANKING FORMS
BC, BC(SA), BL-1, BL-1(SA), BL-2, BL-2(SA),
BQ-1 AND BQ-2

FEDERAL RESERVE SYSTEM
FISCAL AGENT OF THE U.S. TREASURY

Revised January 2001

INSTRUCTIONS FOR THE PREPARATION OF THE TREASURY INTERNATIONAL
CAPITAL (TIC) B REPORTING SERIES

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Note: Terms that are in capital letters can be found in the glossary.

Authority and Confidentiality Statement

These reports are required by law (22 U.S.C. 286f; 22 U.S.C. 3103; E.O.10033; 31 C.F.R. 128.1(a)). Failure to report can result in a civil penalty of not less than \$2,500 and not more than \$25,000. Willful failure to report can result in criminal prosecution and upon conviction a fine of not more than \$10,000; and 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)).

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 agents 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 The data reported by individual respondents will not be published or otherwise publicly disclosed; information may be given to other Federal agencies, insofar as authorized by applicable law (44 U.S.C. 3501 et seq.; 22 U.S.C.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 these forms may be published or otherwise publicly disclosed only in a manner which will not reveal the amounts reported by any individual respondent.

General Instructions

A. PURPOSE AND NOTICE UNDER PAPERWORK REDUCTION ACT

The purpose of the Treasury International Capital forms is to gather timely and reliable information on international portfolio capital movements by UNITED STATES residents. This information is needed for preparation of the financial accounts of the U.S. BALANCE OF PAYMENTS and the international investment position of the UNITED STATES, and for the formulation of U.S. international financial and monetary policies. The data are also needed to enable the UNITED STATES to comply with official requests of the International Monetary Fund for information on the U.S. BALANCE OF PAYMENTS and monetary reserves.

The TIC B forms are designed to collect components of the U.S. portfolio position vis-à-vis FOREIGNERS in DEPOSITS, loans, and marketable instruments other than LONG-TERM SECURITIES. The reporter's own U.S. dollar CLAIMS and LIABILITIES are collected monthly on Forms BC and BL-1, respectively and (for smaller countries) semiannually on Forms BC(SA) and BL-1(SA). A maturity schedule of outstanding U.S. dollar CLAIMS on unaffiliated FOREIGNERS is collected quarterly on Form BQ-1, Part 1. Positions denominated in FOREIGN currency are collected quarterly on Form BQ-2, Part 1.

The TIC B forms also collect information on the assets (other than LONG-TERM SECURITIES) owned by the reporter's customers, for which the reporter acts as CUSTODIAN. The U.S. dollar-denominated LIABILITIES of UNITED STATES residents, including the UNITED STATES Treasury, to FOREIGN customers are collected monthly on Form BL-2 and semiannually on Form BL-2(SA). The CLAIMS on FOREIGNERS held for the reporter's UNITED STATES customers are collected quarterly on Form BQ-1, Part 2 (U.S. dollar-denominated assets) and on Form BQ-2, Part 2 (FOREIGN currency-denominated assets). In addition, an ad hoc report, Form BL-3, is designed for use by UNITED STATES banks to notify non-bank borrowers in the UNITED STATES of their TIC reporting obligation for borrowings from FOREIGNERS.

No person is required to respond to any U.S. government collection of information unless the form displays a currently valid control number assigned by the Office of Management and Budget (OMB). The B forms have been reviewed and approved by OMB under the following control numbers: BC/BC(SA), 1505-0017; BL-1/BL-1(SA), 1505-0019; BL-2/BL-2(SA), 1505-0018; BQ-1, 1505-0016; BQ-2, 1505-0020; BL-3, 1505-0088.

The Treasury Department has estimated the average burden associated with the collection of information on each B form per respondent, but these will vary widely across reporting institutions: (a) BC/BC(SA)—an overall average burden of eight and three-quarter hours, based on sixteen hours for each major respondent and eight hours for each other respondent. (b) BL-1/BL-1(SA)—an overall average burden of eight and one-half hours, based on sixteen hours for each major respondent and eight hours for each other respondent. (c) BL-2/BL-2(SA)—an overall average of seven and one-quarter hours, based on eleven hours for each major respondent and five and one-half hours for each other respondent. (d) BQ-1—an overall average of four and one-half hours, based on eight hours for each major respondent and four hours for each other respondent. (e) BQ-2—an overall average of six and one-half hours, based on nine hours for each major respondent and four and one-half hours for each other respondent. (f) BL-3—an average reporting burden of one-half hour 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 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 appropriate control number as listed above for each form.)

B. WHO MUST REPORT

The following types of entities located in the UNITED STATES are covered by the scope of the TIC B-series reports:

1. Commercial banks
2. Bank holding companies (including financial holding companies)
3. UNITED STATES agencies and branches of FOREIGN BANKS
4. Trust companies that conduct commercial banking business
5. Industrial banks, private or unincorporated banks
6. Banking Edge Act and Agreement corporations
7. New York State Article XII corporations
8. Mutual or stock savings banks, building or savings and loan associations, cooperative banks, credit unions, homestead associations, and other similar depository institutions
9. Non-deposit and limited purpose trust companies
10. NON-BANK BANKS
11. Registered securities brokers and dealers

C. CONSOLIDATION RULES

1. Banks and other depository institutions with head offices in the UNITED STATES should report for all offices including INTERNATIONAL BANKING FACILITIES (IBFs) located in the UNITED STATES on a consolidated basis.
2. Bank holding companies should consolidate their own CLAIMS and LIABILITIES and those of any non-banking SUBSIDIARIES **other than brokers and dealers and insurance underwriting entities.**
3. Brokers and dealers, including brokers and dealers owned by banking organizations, should prepare consolidated reports for all of their offices and non-banking SUBSIDIARIES in the UNITED STATES.
4. Banking Edge Act and Agreement corporations should report separately from their parent. Banking Edge Act or Agreement corporations (including their IBFs) should file these reports on the same basis used for their Quarterly Condition Report (FR 2886b).
5. UNITED STATES branches and agencies of a FOREIGN BANK (including their IBFs) located in the same state and within the same Federal Reserve District should submit an aggregated report to the Federal Reserve Bank in whose District they operate. However, a FOREIGN BANK'S branches and agencies located in the same state but in different Federal Reserve

Districts should report separately to their respective Federal Reserve Banks.

CLAIMS and LIABILITIES of insurance underwriting companies, including SUBSIDIARIES of an institution that must report, are excluded from the TIC B-series reports and should be included on the TIC C forms.

D. ACCOUNTING RULES

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. (CLAIMS with negative balances should be reported as LIABILITIES and LIABILITIES with negative balances should be reported as CLAIMS.)

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 in row 8200-9 on Forms BC, BQ-1 and BQ-2 only in the initial period when they are established. CLAIMS should not be reduced by any general or valuation reserves.

E. WHAT MUST BE REPORTED

CLAIMS

Except as noted under "Specific Exclusions" at the end of this section, the following types of CLAIMS should be reported: (a) U.S. dollar-denominated CLAIMS of the reporting institution on FOREIGNERS (Forms BC and BQ-1, Part 1); (b) U.S. dollar-denominated CLAIMS of the reporting institution's UNITED STATES customers on FOREIGNERS (Form BQ-1, Part 2); (c) FOREIGN currency-denominated CLAIMS of the reporting institution on FOREIGNERS (Form BQ-2, Part 1); and (d) FOREIGN currency-denominated CLAIMS of the reporting institution's UNITED STATES customers on FOREIGNERS (Form BQ-2, Part 2).

CLAIMS on FOREIGNERS include but are not limited to the following:

1. DEPOSIT balances (including DEPOSIT NOTES, non-negotiable and negotiable certificates of DEPOSIT regardless of maturity).
2. FOREIGN SHORT-TERM SECURITIES held for your own account.
3. FEDERAL FUNDS sold.

4. Loans.
5. Holdings of FOREIGN BANKERS' ACCEPTANCES.
6. FINANCIAL LEASES.
7. Customers' liability on acceptances outstanding where the account party is a FOREIGNER.
8. Funds lent under RESALE AGREEMENTS.
9. PARTICIPATIONS and syndications of loans.

LIABILITIES

Except as noted under "Specific Exclusions" at the end of this section, the following types of LIABILITIES should be reported: (a) U.S. dollar-denominated LIABILITIES of the reporting institution to FOREIGNERS (Form BL-1); (b) U.S. dollar-denominated LIABILITIES of UNITED STATES residents to the FOREIGN customers of the reporting institution (Form BL-2); and (c) FOREIGN currency-denominated LIABILITIES of the reporting institution to FOREIGNERS (Form BQ-2, Part 1).

LIABILITIES to FOREIGNERS include but are not limited to the following:

1. All DEPOSIT LIABILITIES (including time DEPOSITS, and negotiable and non-negotiable certificates of DEPOSIT, regardless of maturity).
2. SHORT-TERM SECURITIES, including debt securities, COMMERCIAL PAPER and other short-term instruments issued in the UNITED STATES and FOREIGN markets.
3. FEDERAL FUNDS purchased.
4. Funds borrowed under REPURCHASE AGREEMENTS.
5. Other borrowed funds.
6. Sales of PARTICIPATIONS in pools of loans.

CUSTODY LIABILITIES

Report financial LIABILITIES (as listed above) of persons in the UNITED STATES, other than LONG-TERM SECURITIES, held by or through the reporting institution payable in U.S. dollars for the account of FOREIGNERS. Please refer to the charts in

Appendix I that outline when an institution is responsible for reporting its CUSTODY LIABILITIES.

Custody CLAIMS

Report financial CLAIMS (as listed above) of persons in the UNITED STATES on FOREIGNERS, other than LONG-TERM SECURITIES, held by or through the reporting institution payable in any currency, for the account of the UNITED STATES customer. Please refer to the charts in Appendix II that outline when an institution is responsible for reporting its custody CLAIMS.

Specific Exclusions

The following transactions are excluded from the TIC reports:

1. DIRECT INVESTMENT positions, including any permanent investment debt or equity and unremitted profits and losses of UNITED STATES branches and agencies of FOREIGN BANKS. All DIRECT INVESTMENT positions should be reported to the Department of Commerce, Bureau of Economic Analysis.

For UNITED STATES banking institutions and bank holding companies, DIRECT INVESTMENT does not include positions with FOREIGN AFFILIATES that arise out of normal banking business (e.g., intercompany loans and DEPOSITS.) Therefore these positions should be reported on the TIC-B forms. Brokers and dealers should exclude all positions with FOREIGN AFFILIATES including DIRECT INVESTMENT (see exclusion number 7).

2. All LONG-TERM SECURITIES including equity securities. (Transactions in LONG-TERM SECURITIES are reported on TIC Form S.)
3. Unrealized gains or losses from the marking-to-market of assets and LIABILITIES, including revaluation gains and losses from DERIVATIVE CONTRACTS.
4. Accrued interest unless the interest is past due or credited to another account.
5. Off-balance sheet contracts including LETTERS OF CREDIT, unused lines of credit, unused portions of credit commitments and DERIVATIVE CONTRACTS.
6. Precious metals (e.g., gold, silver) and currencies held in respondents' vaults for FOREIGN accounts, in transit to or from the UNITED STATES, or held outside the UNITED STATES for

the respondents' accounts or the accounts of their customers located in the UNITED STATES.

7. The following CLAIMS and LIABILITIES of brokers and dealers: (a) BROKERAGE BALANCES, commodities and DERIVATIVE CONTRACTS; (b) intercompany balances with FOREIGN AFFILIATES.

F. EXEMPTION LEVELS

Exemption levels apply to the entire consolidated reporting entity. That is, if the consolidated reporting entity meets or exceeds the exemption level, the reportable items of all SUBSIDIARIES of the entity should be consolidated (as described in Section C) regardless of their size.

1. Monthly Reports

All institutions must file Form BC (for CLAIMS), Form BL-1 (for LIABILITIES) and/or Form BL-2 (for CUSTODY LIABILITIES) if their reportable CLAIMS or LIABILITIES, denominated in U.S. dollars, on that form are either: (a) \$50 million or more in the aggregate; or (b) \$25 million or more from or to an individual country. If an institution exceeds the exemption level in any month, the entity should submit the form for each subsequent month of that year, and the 12 months of the following year regardless of the amount.

The reporting thresholds are applied to Forms BC, BL-1, and BL-2 as follows:

Form	Description	Grand Total (\$50 million or more)	Individual Country Data (\$25 million or more)
BC	Reporter's own dollar CLAIMS on FOREIGNERS	Sum of Row 99996, Columns 1-5	For any country row, Sum of Columns 1-5
BL-1	Reporter's own dollar LIABILITIES to FOREIGNERS	Sum of Row 99996, Columns 1-10 and Row 82001, Columns 2, 5, 7, 9	For any country row, Sum of Columns 1-10
BL-2	Reporter's custody dollar LIABILITIES to FOREIGNERS	Sum of Row 99996, Columns 1-12	For any country row, Sum of Columns 1-12

2. Quarterly Reports

All institutions must file Form BQ-1, Part 1 if they report CLAIMS against FOREIGNERS (Columns 1,2,3,4 and 5) on Form BC. All institutions must file Form BQ-1, Part 2 (for custody CLAIMS), Form BQ-2, Part 1 Column 1 (for FOREIGN currency-denominated LIABILITIES), Form BQ-2, Part 1 Columns 2 and 3 (for own FOREIGN currency-denominated CLAIMS), and/or BQ-2, Part 2 (for FOREIGN currency-denominated custody CLAIMS) if their reportable CLAIMS or LIABILITIES on respective sections of the forms are either (a) \$50 million or more in the aggregate; or (b) \$25 million or more from or to an individual country. If an institution meets or exceeds the reporting threshold in any quarter, the entity must submit the form for each subsequent quarter of that year, and the four quarters of the following year regardless of the amount.

The reporting thresholds are applied to Forms BQ-1, Part 2 and BQ-2 as follows:

Form	Description	Grand Total (\$50 million or more)	Individual Country Data (\$25 million or more)
BQ-1 Part 2	CLAIMS on reporter's UNITED STATES customers	Row 99996, Sum of Columns 6, 7, and 8	For any country row, Sum of Columns 6,7, and 8
BQ-2 Part 1 Column 1	Reporter's own FOREIGN currency- denominated LIABILITIES to FOREIGNERS	Row 99996, Column 1	For any country row, Column 1
BQ-2 Part 1 Columns 2 and 3	Reporter's own FOREIGN currency- denominated CLAIMS on FOREIGNERS	Sum of Row 99996, Columns 2 and 3	For any country row, Sum of Columns 2 and 3
BQ-2 Part 2, Columns 4 and 5	Reporter's UNITED STATES customers' FOREIGN currency- denominated CLAIMS on FOREIGNERS	Sum of Row 99996, Columns 4 and 5	For any country row, Sum of Columns 4 and 5

3. BL-3 Report

Form BL-3 is used by UNITED STATES intermediaries to notify non-bank customers in the UNITED STATES that they have a reporting obligation to the Federal Reserve Bank of New York, for borrowings from FOREIGNERS. If the UNITED STATES intermediary is used as the UNITED STATES address of FOREIGNERS in connection with a LOAN SERVICING AGREEMENT with non-bank borrowers in the UNITED STATES, a BL-3 should be filed. In lieu of a BL-3, the LOAN SERVICER may report the borrowing on its own BL-2 as if the customer's LIABILITY on such loans were in the reporter's custody. A reporter is exempt from filing Form BL-3 if it is exempt from filing Form BL-2.

4. Semiannual Reports

All Form BC, BL-1 and BL-2 respondents must submit Form BC(SA), BL-1(SA) and BL-2(SA) for any June and December in which the respondent reports CLAIMS and/or LIABILITIES in any of the geographic areas "Other Europe," "Other Latin America," "Other Caribbean," "Other Asia," "Other Africa," and "All Other" on their monthly B-series reports. The specific instructions for Form BC (page 15), Form BL-1 (page 17), and Form BL-2 (page 20) should be used to complete the corresponding semiannual (SA) report.

G. FOREIGN CURRENCY-DENOMINATED CLAIMS AND LIABILITIES

FOREIGN currency-denominated CLAIMS and LIABILITIES should be reported on Form BQ-2 and converted to U.S. dollar equivalents using the spot exchange rates on the as-of date of the report.

H. SUBMISSION OF REPORTS

Data reported on all TIC B reports should be for balances outstanding as of the last business day of the period covered by the reports. Forms BC, BL-1 and BL-2 are due no later than the 15th calendar day following the as-of date of the reports. Forms BQ-1 and BQ-2 are due no later than the 20th calendar day following the as-of date of the reports. Forms BC (SA), BL-1(SA), and BL-2 (SA) are due no later than 30 days following the as-of date of the reports. If the due date of the report falls on a weekend or holiday, the due date is the following business day.

Commercial banks, bank holding companies and all other reporters (except brokers and dealers) should file with the Federal Reserve Bank in the District in which the reporter is

located. Brokers and dealers should file their reports with the Federal Reserve Bank of New York, regardless of their location.

Reporter ID Number

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

I. SECTOR DEFINITIONS

Amounts reported on country lines are allocated to columns based on the sector of the counterparty as follows:

FOREIGN OFFICIAL INSTITUTIONS (Forms BL-1 and BL-2) include:

1. 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.
2. International and regional organizations.
3. Banks, corporations, or other agencies (including DEVELOPMENT BANKS and institutions that are majority-owned by central governments) that are fiscal agents of national governments, performing activities similar to those of a treasury, central bank, stabilization fund, or exchange control authority.

FOREIGN PUBLIC BORROWERS (Forms BC and BQ-1) include:

1. FOREIGN OFFICIAL INSTITUTIONS, as defined above.
2. FOREIGN state, provincial, and local governments and their corresponding departments and agencies.
3. Corporations that are majority-owned by FOREIGN governments.

OWN FOREIGN OFFICES

1. UNITED STATES depository institutions should report positions with their FOREIGN offices including any FOREIGN branches and banking SUBSIDIARIES located outside the UNITED STATES. **However, positions (other than DIRECT INVESTMENT) with FOREIGN AFFILIATES other than FOREIGN offices and SUBSIDIARIES of the reporting depository institution should be reported as UNAFFILIATED FOREIGN BANKS. Positions with non-banking**

AFFILIATES of your bank holding company should be reported as ALL OTHER FOREIGNERS.

2. UNITED STATES agencies and branches of FOREIGN BANKS should report positions (other than DIRECT INVESTMENT) with their FOREIGN parent and the parent's offices including the parent's FOREIGN SUBSIDIARIES.
3. Banking Edge Act and Agreement corporations should report positions with their FOREIGN offices, FOREIGN parent and the parent's offices including the parent's FOREIGN SUBSIDIARIES.
4. Brokers and dealers should not report data for this category, even if the broker or dealer is an AFFILIATE of a bank. Brokers and dealers should report their positions with FOREIGN AFFILIATES to the Department of Commerce, Bureau of Economic Analysis on the DIRECT INVESTMENT forms.

UNAFFILIATED FOREIGN BANKS include:

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 included in OWN FOREIGN OFFICES or are not FOREIGN OFFICIAL INSTITUTIONS.

Please note that on Forms BC and BQ-1 only, DEVELOPMENT BANKS and other similar entities that are majority owned by FOREIGN governments should be reported as FOREIGN PUBLIC BORROWERS, rather than UNAFFILIATED FOREIGN BANKS.

ALL OTHER FOREIGNERS include:

1. FOREIGN non-banking financial entities, such as brokers and Dealers.
2. Other FOREIGN corporations, partnerships, and individuals, including non-bank financial institutions.

Please note that on Forms BL-1 and BL-2 this sector also includes departments and agencies of FOREIGN state, provincial, and local governments, as well as the agencies and corporations of FOREIGN central governments not covered by another FOREIGNER classification.

J. REPORTING OF LOCATION

Positions with FOREIGNERS should be reported opposite the country or geographical area in which the counterparty resides. Do not report positions based on the

currency of the position or the country of a parent institution or guarantor (i.e., ultimate risk).

Exceptions:

1. Positions with the branches or agencies of FOREIGN OFFICIAL INSTITUTIONS should be reported opposite the country of the official institution if the branches or agencies are not themselves acting as official institutions for the countries in which they are located.
2. 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," "Asian," "African," or "Middle Eastern" regional organizations, as appropriate. Examples of some of these organizations which are located in the UNITED STATES are:

International Bank for Reconstruction and Development (the World Bank)
International Development Association
International Finance Corporation
International Monetary Fund
Inter-American Development Bank
Organization of American States
United Nations
World Health Organization

3. The Bank for International Settlements should be reported opposite the regional classification "Other Europe." (A copy of a list of FOREIGN OFFICIAL INSTITUTIONS is included in Appendix III; a copy of the Geographical Classification is included in Appendix IV.)

K. ALTERNATIVE METHODS OF REPORTING

In lieu of reports on the printed Treasury International Capital Forms (which can be printed by the respondents from the TIC website at www.ustreas.gov/tic/), the data may be submitted electronically. For further information on electronic submission, reporters should contact the Federal Reserve Bank where their report is filed.

Data may also be reported on computer printouts in the same format as the printed reports. Proposed computer printouts must be approved in writing by the Federal Reserve Bank where the report is filed. Reports submitted on computer printouts must be

signed by a responsible officer of the reporting institution.

L. REVIEW OF DATA AND REQUEST FOR REVISED DATA

Data submitted on the Treasury International Capital Forms are reviewed by Federal Reserve System staff. As a result of these review and editing procedures, the respondent may be asked by Reserve Bank staff to explain unusual changes or submit revisions as necessary.

SPECIFIC COLUMN INSTRUCTIONS FOR THE PREPARATION OF TREASURY
INTERNATIONAL CAPITAL (TIC) FORM BC - REPORTING BANK'S OWN
CLAIMS, AND SELECTED CLAIMS OF BROKER OR DEALER, ON FOREIGNERS,
DENOMINATED IN U.S. DOLLARS

Report on this form all U.S. dollar-denominated CLAIMS on FOREIGNERS as described in the General Instructions, Section E. These CLAIMS include: 1) balances due from banks; 2) loans; 3) SHORT-TERM SECURITIES and money market instruments; 4) LIABILITIES of FOREIGNERS on BANKERS' ACCEPTANCES outstanding; 5) RESALE AGREEMENTS; and 6) the reporter's share of syndicated and PARTICIPATED CREDITS. Exclude from this form all LONG-TERM SECURITIES and all DIRECT INVESTMENT (see Section E).

On FOREIGN PUBLIC BORROWERS (Column 1)

Report your own CLAIMS on FOREIGN PUBLIC BORROWERS.

On UNAFFILIATED FOREIGN BANKS (Columns 2 and 3)

DEPOSITS (Column 2)

Report the gross amount of DEPOSITS held at UNAFFILIATED FOREIGN BANKS. Include in this column:

- Demand DEPOSITS.
- Savings DEPOSITS.
- Time DEPOSITS represented by negotiable and nonnegotiable certificates of DEPOSIT, and DEPOSIT NOTES regardless of the original maturity.

Exclude the following:

- 1) DEPOSITS held at OWN FOREIGN OFFICES (reported in column 4).
- 2) DEPOSITS issued by FOREIGNERS (held outside the UNITED STATES by FOREIGN SUBCUSTODIANS) entrusted to your UNITED STATES CUSTODIAN bank. (These are reported by the UNITED STATES CUSTODIAN on TIC Form BQ-1, Part 2).

Overdrawn accounts of your institution with FOREIGN BANKS should be raised to zero and should not be netted against positive balances. The amount of the OVERDRAFT should be reported as a LIABILITY on TIC Form BL-1. Overdrawn accounts of FOREIGNERS should be reported as a CLAIM on TIC Form BC, Column 3.

Other CLAIMS (Column 3)

Report gross CLAIMS on UNAFFILIATED FOREIGN BANKS other than DEPOSITS reported in column 2.

On OWN FOREIGN OFFICES (Column 4)

Banks should report gross CLAIMS on their OWN FOREIGN OFFICES except CLAIMS that represent DIRECT INVESTMENT (see Section E). **Brokers and dealers should exclude balances due from AFFILIATED FOREIGN offices, including their FOREIGN parent.** These DIRECT INVESTMENT positions should be reported to the Department of Commerce, Bureau of Economic Analysis.

On ALL OTHER FOREIGNERS (Column 5)

Report all CLAIMS on ALL OTHER FOREIGNERS.

RESALE AGREEMENTS (Column 7)

Report the amounts included in columns 1, 3, 4, and 5 that represent funds loaned to FOREIGNERS under RESALE AGREEMENTS and similar financing arrangements. Do not report the value of the underlying collateral. RESALE AGREEMENTS amounts should be reported gross (do not apply FIN 41).

Memorandum Row (8300-3) Total IBF Assets

For each column, report amounts included in the Grand Total that represent CLAIMS of your INTERNATIONAL BANKING FACILITIES on FOREIGNERS.

Memorandum Row (8200-9) Assets Written Off This Reporting Period

For each column, report the amount of charge-offs or specific reserves for reportable CLAIMS (taken partially or entirely) during the reporting period. Only report these during the period in which they were established. Do not include any general reserves.

Memorandum Row (8400-7) RESALE AGREEMENTS

For each column (1,3,4 and 5), report amounts included in the Grand Total that represent funds loaned to FOREIGNERS under RESALE AGREEMENTS and similar financing arrangements. Do not report the value of the underlying collateral. RESALE AGREEMENTS amounts should be reported gross (do not apply FIN 41).

SPECIFIC COLUMN AND MEMORANDUM ROW INSTRUCTIONS FOR THE
PREPARATION OF TREASURY INTERNATIONAL CAPITAL (TIC) FORM BL-1 -
REPORT OF BANK'S OWN LIABILITIES, AND SELECTED LIABILITIES OF
BROKER OR DEALER, TO FOREIGNERS, DENOMINATED IN U.S. DOLLARS

Report on TIC Form BL-1 all U.S. dollar-denominated LIABILITIES to FOREIGNERS as described in the General Instructions, Section E including DEPOSIT balances, SHORT-TERM SECURITIES, FEDERAL FUNDS purchased, borrowings, and REPURCHASE AGREEMENTS. Exclude all LONG-TERM SECURITIES and DIRECT INVESTMENT.

To FOREIGN OFFICIAL INSTITUTIONS (Columns 1, 2, and 3)

Report LIABILITIES due to FOREIGN OFFICIAL INSTITUTIONS.

Demand DEPOSITS (Column 1)

Report demand DEPOSITS due to FOREIGN OFFICIAL INSTITUTIONS. **Exclude:** 1) Savings DEPOSITS, time DEPOSITS, and other transaction accounts; 2) All DEPOSITS of your INTERNATIONAL BANKING FACILITY regardless of maturity. IBF DEPOSITS should be reported as time DEPOSITS (column 2).

Overdrawn accounts of customers should be raised to zero, not netted against positive balances. The amount of the OVERDRAFT should be reported on TIC Form BC.

Time and Savings DEPOSITS (Column 2)

Report time and savings DEPOSITS and other transaction accounts of FOREIGN OFFICIAL INSTITUTIONS regardless of maturity. Include all DEPOSITS with your IBF by FOREIGN OFFICIAL INSTITUTIONS. Exclude negotiable certificates of DEPOSIT. These should be included in the memorandum section of this report (Row 8200-1).

Other LIABILITIES (Column 3)

Report all LIABILITIES to FOREIGN OFFICIAL INSTITUTIONS other than DEPOSITS reported in columns 1 and 2. Include in this column:

- FEDERAL FUNDS purchased.
- REPURCHASE AGREEMENTS and similar financing arrangements
- Deferred credits.
- COMMERCIAL PAPER and other SHORT-TERM SECURITIES issued in FOREIGN markets.

- Respondent's own OVERDRAFTS.
- All other reportable LIABILITIES to FOREIGNERS.

Exclude LIABILITIES to FOREIGNERS representing BANKERS' ACCEPTANCES executed and outstanding. LIABILITIES for BANKERS' ACCEPTANCES are reportable by the UNITED STATES CUSTODIAN as CUSTODY LIABILITIES on TIC Form BL-2.

To UNAFFILIATED FOREIGN BANKS (Columns 4, 5, and 6)

Report LIABILITIES due to UNAFFILIATED FOREIGN BANKS (Use the categorization rules for columns 1, 2, and 3 above).

To OWN FOREIGN OFFICES (Column 7)

Banks should report all gross LIABILITIES due to their OWN FOREIGN OFFICES except LIABILITIES that represent DIRECT INVESTMENT (see Section E). Brokers and dealers should exclude balances due to AFFILIATED FOREIGN offices including their FOREIGN parent. These DIRECT INVESTMENT positions should be reported to the Department of Commerce, Bureau of Economic Analysis as a form of DIRECT INVESTMENT.

To ALL OTHER FOREIGNERS (Columns 8, 9, and 10)

Report LIABILITIES due to all OTHER FOREIGNERS. (Use the categorization rules for columns 1, 2, and 3 above).

REPURCHASE AGREEMENTS (Column 12)

Report the amounts included in columns 3, 6, 7, and 10 representing funds received from FOREIGNERS under REPURCHASE AGREEMENTS. Report such amounts based on the amount of the borrowing and not on the value of the underlying collateral. These balances should be reported gross (do not apply FIN 41).

Memorandum Row (8300-3) Total IBF LIABILITIES

For each column, report amounts included in the Grand Total (9999-6) which represent LIABILITIES of your INTERNATIONAL BANKING FACILITIES to FOREIGNERS. **NOTE:** All INTERNATIONAL BANKING FACILITIES DEPOSITS should be reported as time DEPOSITS.

Memorandum Row (8400-7) REPURCHASE AGREEMENTS

For each column (3,6,7 and 10), report amounts included in the Grand Total that represent funds loaned to FOREIGNERS under REPURCHASE AGREEMENTS. Do not report the value of the underlying collateral. REPURCHASE AGREEMENTS amounts should be reported gross (do not apply FIN 41).

Memorandum Row (8200-1) CDs Issued to FOREIGNERS and Excluded
From Above

Report in columns 2, 5, 7, and 9 the aggregate amounts of negotiable time certificates of DEPOSIT **issued** to FOREIGNERS in the appropriate sector. Holdings for FOREIGNERS of negotiable certificates of DEPOSIT, whether issued by you or other institutions in the UNITED STATES, should be reported as CUSTODY LIABILITIES to FOREIGNERS on TIC Form BL-2.

SPECIFIC COLUMN INSTRUCTIONS FOR THE PREPARATION OF TREASURY
INTERNATIONAL CAPITAL (TIC) FORM BL-2 - CUSTODY LIABILITIES OF
REPORTING BANKS, BROKERS AND DEALERS TO FOREIGNERS, DENOMINATED
IN U.S. DOLLARS

Report all U.S. dollar-denominated LIABILITIES (as described in the General Instructions, Section E) (other than LONG-TERM SECURITIES) of entities in the UNITED STATES, held for FOREIGNERS either in your direct custody or in your own name. (Please refer to the charts in Appendix I that outline the reporter's responsibility to report CUSTODY LIABILITIES.)

If your institution is used by FOREIGNERS as their UNITED STATES address in connection with loans to non-banks in the UNITED STATES, you either must report LIABILITIES of persons in the UNITED STATES that result from such loans as if such LIABILITIES were in your custody, or must inform the UNITED STATES persons who owe the LIABILITIES that they are due to FOREIGNERS, identifying the countries and amounts relevant to each, using TIC Form BL-3, "Intermediary's Notification of FOREIGN Borrowing Denominated in U.S. Dollars."

To FOREIGN OFFICIAL INSTITUTIONS (Columns 1, 2, 3, and 4)

Report CUSTODY LIABILITIES due to FOREIGN OFFICIAL INSTITUTIONS broken down into the following categories.

1. SHORT-TERM U.S. TREASURY Obligations (Column 1)

Report holdings for the account of FOREIGN OFFICIAL INSTITUTIONS of SHORT-TERM UNITED STATES TREASURY SECURITIES.

2. SHORT-TERM U.S. Agency Obligations (Column 2)

Report holdings for the account of FOREIGN OFFICIAL INSTITUTIONS of SHORT-TERM UNITED STATES GOVERNMENT AGENCY AND GOVERNMENT-SPONSORED ENTERPRISE SECURITIES.

3. Other Negotiable and Readily Transferable Instruments
(Column 3)

Report the amount of negotiable and readily transferable transferable instruments held for the account of FOREIGN OFFICIAL INSTITUTIONS that represent LIABILITIES of UNITED STATES residents including:

- Negotiable certificates of DEPOSIT and DEPOSIT NOTES regardless of maturity whether issued by you or other institutions in the UNITED STATES.
- BANKERS' ACCEPTANCES created by you or other institutions in the UNITED STATES.
- COMMERCIAL PAPER issued by firms located in the UNITED STATES.
- SHORT-TERM SECURITIES of state and local governments, and of private UNITED STATES corporations.

Exclude bills drawn by FOREIGNERS and accepted by you, unless you manage the custody or safekeeping of such acceptances for the account of FOREIGNERS.

3. Other CUSTODY LIABILITIES (Column 4)

Report all other items not included in columns 1, 2, or 3 held for the account of FOREIGN OFFICIAL INSTITUTIONS that represent LIABILITIES of persons in the UNITED STATES, except LIABILITIES in the form of LONG-TERM SECURITIES. Other CUSTODY LIABILITIES includes:

- PARTICIPATIONS granted to FOREIGN OFFICIAL INSTITUTIONS in loans to customers located in the UNITED STATES.
- Bills, drafts, and accounts receivable held for collection for FOREIGN OFFICIAL INSTITUTIONS.
- Loans to UNITED STATES residents that were acquired in the secondary market.

To FOREIGN BANKS (Columns 5, 6, 7, and 8)

Report CUSTODY LIABILITIES due to FOREIGN BANKS, including your OWN FOREIGN OFFICES. (Use the categorization rules for columns 1, 2, 3, and 4 above.)

To ALL OTHER FOREIGNERS (Columns 9, 10, 11, and 12)

Report CUSTODY LIABILITIES due to ALL OTHER FOREIGNERS including your own FOREIGN non-banking offices.

Memorandum Negotiable Certificates of DEPOSIT Held for
FOREIGNERS (Column 14)

Report the amounts included in columns 3, 7, and 11 that represent negotiable Certificates of DEPOSIT and DEPOSIT NOTES, regardless of maturity, held in custody for FOREIGNERS, whether issued by you or other institutions in the UNITED STATES, including UNITED STATES offices of FOREIGN BANKS.

SPECIFIC COLUMN INSTRUCTIONS FOR THE PREPARATION OF TREASURY
INTERNATIONAL CAPITAL (TIC) FORM BQ-1

PART I - QUARTERLY REPORT OF REPORTING BANK'S OWN CLAIMS, AND
SELECTED CLAIMS OF BROKER OR DEALER, ON FOREIGNERS, DENOMINATED
IN U.S. DOLLARS

PART II - QUARTERLY REPORT OF DOMESTIC CUSTOMERS' CLAIMS ON
FOREIGNERS HELD BY REPORTING BANK, BROKER OR DEALER, DENOMINATED
IN U.S. DOLLARS

Report all U.S. dollar-denominated CLAIMS on FOREIGNERS as described in the General Instructions, Section E including: 1) balances due from banks; 2) loans; 3) SHORT-TERM SECURITIES and money market instruments; 4) customer LIABILITIES of FOREIGNERS on BANKERS' ACCEPTANCES outstanding; 5) RESALE AGREEMENTS; and 6) the reporter's share of syndicated and PARTICIPATED CREDITS. Exclude all LONG-TERM SECURITIES and DIRECT INVESTMENT. (Please note that the amounts reported in Columns 1-4 are reported by remaining maturity, not original maturity.)

SPECIFIC COLUMN INSTRUCTIONS FOR FORM BQ-1, PART I

On FOREIGN PUBLIC BORROWERS - One Year or Less (Column 1)

Report the gross amount of CLAIMS held on FOREIGN PUBLIC BORROWERS with a remaining maturity of one year or less. Include demand, savings and time DEPOSITS. Reporters who are UNITED STATES branches and agencies of FOREIGN PUBLIC BORROWERS should exclude CLAIMS on their head offices on this report.

On FOREIGN PUBLIC BORROWERS - Over One Year (Column 2)

Report the gross amount of CLAIMS held on FOREIGN PUBLIC BORROWERS with a remaining maturity of greater than one year.

On OTHER FOREIGN BORROWERS - One Year or Less (Column 3)

Report the gross amount of CLAIMS held on UNAFFILIATED FOREIGN BANKS and ALL OTHER FOREIGNERS with a remaining maturity of one year or less. Include demand, savings and time DEPOSITS. Exclude from this column, CLAIMS held at OWN FOREIGN OFFICES.

On OTHER FOREIGN BORROWERS - Over One Year (Column 4)

Report the gross amount of CLAIMS held on UNAFFILIATED FOREIGN BANKS and ALL OTHER FOREIGNERS with a remaining maturity of over one year. Exclude from this column, CLAIMS on OWN FOREIGN OFFICES.

Memorandum - Customer LIABILITY on Acceptances (Column 5)

Report customer LIABILITIES on BANKERS' ACCEPTANCES reported in Columns 1-4. Report the LIABILITY of **all** FOREIGNERS to you on acceptances created by you for their benefit, i.e., on drafts accepted by you payable to FOREIGNERS, including those payable by your OWN FOREIGN OFFICES and AFFILIATED institutions.

Memorandum Row (8300-3) IBF Assets

For each column, report amounts included in the Grand Total that represent CLAIMS of your INTERNATIONAL BANKING FACILITIES on FOREIGNERS.

SPECIFIC COLUMN INSTRUCTIONS FOR FORM BQ-1, PART II

Report CLAIMS on FOREIGNERS that you hold for customers located in the UNITED STATES. Please refer to the charts in Appendix II that outline the reporter's responsibility to report custody CLAIMS.

DEPOSITS (Column 6)

Report the gross amount of FOREIGN DEPOSITS, held for the account of customers in the UNITED STATES. Include:

- Demand DEPOSITS.
- Savings DEPOSITS and other transaction accounts.
- Time DEPOSITS.
- Non-negotiable certificates of DEPOSIT.

Exclude negotiable certificates of DEPOSIT; these are included in column 7.

Negotiable and Readily Transferable Instruments (Column 7)

Report the amount of negotiable and readily transferable instruments that you hold for UNITED STATES customers that represent CLAIMS on FOREIGNERS, including:

- Negotiable certificates of DEPOSIT issued by FOREIGNERS.
- BANKERS' ACCEPTANCES created by FOREIGNERS.
- FOREIGN COMMERCIAL PAPER.
- SHORT-TERM debt instruments of FOREIGNERS.

Outstanding Collections and Other CLAIMS (Column 8)

Report outstanding collections and all other financial items not included in columns 6 or 7 held for UNITED STATES customers that represent CLAIMS on FOREIGNERS. Exclude all CLAIMS in the form of LONG-TERM SECURITIES.

SPECIFIC COLUMN AND MEMORANDUM ROW INSTRUCTIONS FOR THE
PREPARATION OF TREASURY INTERNATIONAL CAPITAL (TIC) FORM BQ-2
QUARTERLY REPORT TO THE FEDERAL RESERVE BANK
PART 1 - LIABILITIES TO, AND CLAIMS ON, FOREIGNERS OF REPORTING
BANK, BROKER OR DEALER, DENOMINATED IN FOREIGN CURRENCIES
PART 2 - DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS HELD BY
REPORTING BANK, BROKER OR DEALER, DENOMINATED IN FOREIGN
CURRENCIES

SPECIFIC COLUMN INSTRUCTIONS FOR FORM BQ-2, PART 1

Report your own LIABILITIES denominated in FOREIGN currencies, as described in the General Instructions, Section E, to FOREIGNERS including DEPOSIT balances regardless of original maturity, SHORT-TERM SECURITIES, FEDERAL FUNDS purchased, borrowings, and REPURCHASE AGREEMENTS. Also, report your own CLAIMS denominated in FOREIGN currencies, as described in the General Instructions, Section E, on FOREIGNERS including: 1) balances due from banks; 2) loans; 3) SHORT-TERM SECURITIES and money market instruments; 4) LIABILITIES of FOREIGNERS on BANKERS' ACCEPTANCES outstanding; 5) RESALE AGREEMENTS; and 6) the reporter's share of syndicated and PARTICIPATED CREDITS. Exclude CLAIMS and LIABILITIES in the form of LONG-TERM SECURITIES and DIRECT INVESTMENT, and CLAIMS that you have entrusted to another UNITED STATES CUSTODIAN.

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.

LIABILITIES to FOREIGNERS (Column 1)

Report your own LIABILITIES denominated in FOREIGN currencies to all FOREIGNERS including DEPOSIT balances, SHORT-TERM SECURITIES, FEDERAL FUNDS purchased, borrowings, REPURCHASE AGREEMENTS, and BANKERS' ACCEPTANCES executed that are outstanding.

Reporter's Own CLAIMS on FOREIGNERS (Columns 2 and 3)
DEPOSITS (Column 2)

Report the gross amount of your DEPOSITS held at FOREIGN BANKS, including OWN FOREIGN OFFICES, denominated in FOREIGN currencies. Include demand, savings and time DEPOSITS. Exclude from this column, certificates of DEPOSIT issued by FOREIGNERS held outside the UNITED STATES through FOREIGN SUBCUSTODIANS of your CUSTODIAN bank.

Other CLAIMS (Column 3)

Report your own CLAIMS denominated in FOREIGN currencies on FOREIGN BANKS including your OWN FOREIGN OFFICE, and other FOREIGNERS other than DEPOSITS reported in column 2.

SPECIFIC COLUMN INSTRUCTIONS FOR FORM BQ-2, PART 2

CLAIMS of Reporter's Domestic Customers (Columns 4 and 5)

DEPOSITS (Column 4)

Report the gross amount of your UNITED STATES customers' DEPOSITS held at FOREIGN BANKS denominated in FOREIGN currencies. Include demand, savings, and time DEPOSITS. Exclude DEPOSITS held through another UNITED STATES CUSTODIAN bank.

Other CLAIMS (Column 5)

Report CLAIMS of your UNITED STATES customers denominated in FOREIGN currencies on FOREIGNERS other than DEPOSITS reported in column 4. Exclude assets entrusted to other UNITED STATES CUSTODIANS.

SPECIFIC MEMORANDUM ROW INSTRUCTIONS FOR FORM BQ-2 PARTS 1 and 2

Memorandum Row (8300-3) Total IBF LIABILITIES/Assets

For each column(1,2,and 3), report amounts included in the Grand Total that represent CLAIMS/LIABILITIES of your INTERNATIONAL BANKING FACILITIES on FOREIGNERS.

Memorandum Row (8200-9) ASSETS WRITTEN OFF THIS REPORTING PERIOD

For Columns 2 and 3, report the amount of charge-offs or specific reserves (partially or entirely) for reportable CLAIMS during the reporting period. Only report these for the period in which they were established. Do not include any general reserves.

Memorandum Rows (8500-1 to 8500-4) FOREIGN Currency Detail Report

For each column, report the amounts (in U.S. dollars) 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), converted using the spot exchange rate on the as-of date of the report.

GLOSSARY

AFFILIATE, AFFILIATED -- Two companies are AFFILIATES of each other (AFFILIATED) if one beneficially owns 10 percent or more of the other or if a third company beneficially owns 10 percent or more of both companies.

ALL OTHER FOREIGNERS -- See General Instructions, Section I.

BANKERS' ACCEPTANCES -- A BANKER'S ACCEPTANCE is a draft or bill of exchange that has been drawn on and accepted by a banking institution (the accepting bank) or its agent for payment by the accepting bank at a future date specified in the instrument. Funds are advanced to the drawer of the acceptance by the discounting of the acceptance by the accepting bank or by others. The accepted draft is negotiable and may be sold after its original discounting. At the maturity date, the holder of the acceptance, who has advanced funds either by initial discount or subsequent purchase, presents the acceptance to the accepting bank for payment.

The accepting bank has an unconditional obligation to pay the holder the face amount of the draft on presentation. The account party (customer) has an unconditional obligation to pay the accepting bank at or before the maturity date.

BANKERS' ACCEPTANCES denominated in U.S. dollars executed and outstanding by the reporter should be reported on Form BL-2. LIABILITIES for BANKERS' ACCEPTANCES denominated in FOREIGN currency should be reported on Form BQ-2. CLAIMS of the reporter representing customer LIABILITIES outstanding or held in a portfolio should be reported on Forms BC and BQ-1. U.S. dollar CLAIMS of the reporter representing acceptances held in its portfolio or trading account should be reported on Form BC and Form BQ-1, Columns 1-4. FOREIGN currency-denominated CLAIMS should be reported on Form BQ-2.

BRADY BONDS -- Bonds issued by a FOREIGN government or central bank in exchange for loans under the Brady Plan. BRADY BONDS are excluded from the TIC B forms, and are reported on TIC form S. (See also DEBT RESTRUCTURING.)

BROKERAGE BALANCES -- Any cash position of a FOREIGNER held by a broker or dealer and positions of a broker or dealer held by a FOREIGNER arising from trading financial assets (including margin accounts). BROKERAGE BALANCES are excluded from the TIC forms.

CLAIMS -- See General Instructions, Section E.

COMMERCIAL PAPER -- An unsecured promissory note usually sold at a discount and customarily having a fixed maturity of up to 270 days. **COMMERCIAL PAPER** should be reported on the TIC B forms at face value.

COMMINGLED ACCOUNT -- An account in which the investment funds of individual clients are pooled, with each client owning portions of the pooled account. The shares in the commingled account are not reportable on TIC B reports. These assets, however, may be reportable on TIC Form S.

CREDIT BALANCES -- Special purpose **DEPOSITS** arising out of the exercise of lawful 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 demand **DEPOSITS** on Form BL-1.

CUSTODIAN -- A bank or other institution that has the fiduciary responsibility to manage or administer for safekeeping the securities or other assets of clients.

CUSTODY LIABILITIES -- Financial **LIABILITIES** of UNITED STATES residents, the custody of which is managed or administered by the reporter for account of its **FOREIGN** customers. **CUSTODY LIABILITIES** include **BANKERS' ACCEPTANCES**, negotiable certificates of **DEPOSIT**, **DEPOSIT NOTES**, loans, loan **PARTICIPATIONS**, and **SHORT-TERM SECURITIES**. U.S. dollar **CUSTODY LIABILITIES** are reported on Form BL-2. **FOREIGN** currency-denominated **CUSTODY LIABILITIES** are not reportable on any TIC forms. (Reporters report own **LIABILITIES** on TIC Form BQ-2, Column 1 or TIC Form CQ-1.)

DEBT RESTRUCTURING -- Loans granted to **FOREIGNERS** to replace other forms of debt or equity as a result of debtors negotiating with their creditors to arrive at arrangements for payment that are satisfactory to both.

Respondents that exchange debt (e.g., loans) for bonds or participate in cash buyback plans should remove the **CLAIM** from TIC Form BC or Form BQ-2. Banks that received discount bonds or participated in the cash buyback must account for the exchange as a write-off. The amount of the write-off should be reported in the memorandum section of TIC Forms BC and BQ-2.

Respondents that receive collateral in the form of time **DEPOSITS** from the debtor nation should report these **LIABILITIES** on TIC Form BL-1 or Form BQ-2.

Respondents that accept FOREIGN bonds in exchange for debt should report the FOREIGN bond as a sale by a FOREIGNER on their TIC Form S.

DEFERRED PAYMENT LETTER OF CREDIT -- A DEFERRED PAYMENT LETTER OF CREDIT is a LETTER OF CREDIT issued by a FOREIGN BANK in favor of an UNITED STATES exporter and confirmed by a bank in the UNITED STATES. DEFERRED PAYMENT LETTERS OF CREDIT should be reported on the TIC B forms **unless** they are issued, confirmed, or advised by a bank in the UNITED STATES in favor of the Commodity Credit Corporation (CCC), or another UNITED STATES Government agency, in connection with the financing of UNITED STATES exports.

DEPOSIT NOTES -- Debt instruments issued by banking institutions in denominations of \$100,000 or more that include the term DEPOSIT on its face. These notes, exempt from SEC registration, are sold to investors in fully registered form through agents/underwriters. DEPOSIT NOTES are included on the TIC B forms as negotiable certificates of DEPOSIT.

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, to a commercial, checking, savings, or time account, or which is 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.

Demand DEPOSITS are DEPOSITS that are payable immediately on demand, or that are issued with an original maturity or required notice period of less than seven days. Demand DEPOSITS exclude: (i) money market DEPOSIT accounts (MMDAs) and (ii) NOW accounts;

Savings DEPOSITS and other transaction accounts are DEPOSITS that are not payable on a specified date or after a specified period of time from the date of deposit, but for which the reporting institution expressly reserves the right to require at least seven days' written notice before an intended withdrawal.

Time DEPOSITS are payable on a specified date not less than seven days after the date of deposit or payable at the expiration of a specified time not less than seven days after the date of deposit, or payable only upon written notice that is actually required to be given by the depositor not less than seven days prior to withdrawal. All INTERNATIONAL BANKING FACILITIES (IBFs) DEPOSITS should be reported as time DEPOSITS.

Time certificates of DEPOSIT are DEPOSITS evidenced by a negotiable or nonnegotiable instrument, or a 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 the bearer, to any specified person, or to the order of a specified person.

DERIVATIVE CONTRACTS -- Financial instruments whose value depends on, or is derived from, the prices or levels of indices or underlying assets, such as interest rates, foreign exchange rates, equities, or commodities, and that represent an agreement between two or more counterparties on the price or level of the asset or index for exchange or settlement at a later specified date. DERIVATIVE CONTRACTS include forwards, futures, options, and swaps.

DEVELOPMENT BANKS -- DEVELOPMENT BANKS are owned by national governments and are established to promote economic development of sectors of the economy, such as trade, housing, agriculture, finance and industry.

DIRECT INVESTMENT -- The beneficial ownership or control by one person of 10 percent or more of the voting stock of an incorporated business enterprise, or an equivalent interest in an unincorporated enterprise including a branch.

DIRECT INVESTMENT includes permanent investment debt or equity and unremitted profits and losses of UNITED STATES branches and agencies of FOREIGN BANKS. All DIRECT INVESTMENT positions should be reported to the Department of Commerce, Bureau of Economic Analysis.

For UNITED STATES banking institutions and bank holding companies, DIRECT INVESTMENT does not include positions with FOREIGN AFFILIATES that arise out of normal banking business (e.g., intercompany loans and DEPOSITS.) Therefore, these positions should be reported on the TIC-B forms. Brokers and dealers should exclude all positions with FOREIGN AFFILIATES from the TIC-B forms.

DISCOUNT NOTES -- SHORT-TERM negotiable instruments that are issued at a discount. Holdings of DISCOUNT NOTES issued by UNITED STATES parties and held for FOREIGNERS are reportable at face value on Form BL-2 by UNITED STATES CUSTODIANS. UNITED STATES investors are responsible to report their ownership of notes issued by FOREIGNERS on TIC Forms BC, BQ-2, or CQ-1. UNITED STATES investors that have entrusted these notes to UNITED STATES CUSTODIANS are not required to report them; the UNITED STATES CUSTODIANS are required to report the notes on

behalf of their UNITED STATES customers on Part 2 of Forms BQ-1 or BQ-2.

EUROCOMMERCIAL PAPER - COMMERCIAL PAPER issued by UNITED STATES residents in FOREIGN markets. The issuer reports EUROCOMMERCIAL PAPER issued in U.S. dollars on Form BL-1 opposite the country and classification of the FOREIGN placement agent. EUROCOMMERCIAL PAPER issued in FOREIGN currency units are reported on the BQ-2 opposite the resident country of the FOREIGN placement agent.

EURO MEDIUM-TERM NOTES -- Notes usually issued under a continuously offered program and sold in a FOREIGN market through FOREIGN agents. Euro notes denominated in U.S. dollars with original maturities of one year or less are reported on Form BL-1 as "Other LIABILITIES" opposite the country and classification of the FOREIGN agents. Any long-term tranche is reported on TIC Form S and excluded from the TIC B forms.

FEDERAL FUNDS -- Immediately available funds that can either be used or disposed of on the same business day that the transaction giving rise to the receipt or disposal of the funds is executed. FEDERAL FUNDS are uncollateralized loans and should be reported on the TIC B forms in the same manner as any other extension of credit. The TIC B forms should include all FEDERAL FUNDS transactions including those conducted overnight, under continuing contract, or with an original maturity greater than one day (i.e., term FEDERAL FUNDS).

FINANCIAL LEASE -- A form of secured borrowing in which the borrower (lessee) acquires all or most ownership rights. Report FINANCIAL LEASE arrangements with FOREIGNERS as borrowings from (or loans to) FOREIGNERS. The amount reported is the value of the lease, not the value of the equipment or other asset. As a general rule, such payables and receivables are to be reported by the UNITED STATES party responsible for paying the FOREIGN lessor, or to collect payments directly from the FOREIGN lessee for a UNITED STATES company.

FOREIGN ASSETS -- Assets owned by the reporter and the reporter's UNITED STATES customers that represent CLAIMS on FOREIGNERS.

FOREIGN BANK -- A bank in a FOREIGN country, as defined by the laws of that country (host country). NATIONALIZED BANKS and other banking institutions owned by central governments should be reported as FOREIGN banks, unless such banks function as FOREIGN OFFICIAL INSTITUTIONS or FOREIGN PUBLIC BORROWERS.
FOREIGNER (FOREIGN)

A FOREIGNER includes the following:

1. Individuals, including citizens of the UNITED STATES, residing outside the UNITED STATES.
2. Entities that file 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.
3. Branches, SUBSIDIARIES or AFFILIATES of UNITED STATES companies located outside the UNITED STATES.
4. 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).
5. Official international, regional organizations, and affiliated agency 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).

FOREIGN OFFICIAL INSTITUTIONS -- See General Instructions, Section I.

FOREIGN PUBLIC BORROWER -- See General Instructions, Section I.

GLOBAL CUSTODIAN -- An institution that maintains a network of one or more FOREIGN, local SUBCUSTODIANS to manage or administer the custody or safekeeping of assets for clients. The UNITED STATES GLOBAL CUSTODIAN is required to report U.S. dollar-denominated instruments that represent the UNITED STATES residents' LIABILITIES that are owned by its FOREIGN clients on Form BL-2, as well as assets that represent CLAIMS on FOREIGNERS that it administers the custody of for its UNITED STATES customers on Part 2 of Forms BQ-1 and BQ-2.

INTERNATIONAL BANKING FACILITIES (IBFs) -- A set of asset and LIABILITY accounts, segregated on the books of the UNITED STATES establishing entity that is permitted to hold only assets and liabilities of FOREIGNERS, other IBFs, and UNITED STATES and FOREIGN offices of the establishing entity. (See Federal Reserve Regulation D, Section 204.8).

LETTER OF CREDIT -- A notification issued by a bank on behalf of its customer authorizing a third party (the beneficiary) to draw drafts on the issuing bank or its correspondent for amounts up

to a specified sum and guaranteeing acceptance and payment of the drafts if drawn in accordance with the terms stipulated in the letter. Upon their acceptance, drafts drawn under LETTERS OF CREDIT become BANKERS' ACCEPTANCES.

LIABILITIES -- See General Instructions, Section E.

LOAN SERVICING ARRANGEMENTS, LOAN SERVICER -- An arrangement whereby one party (the LOAN SERVICER) agrees to collect payments from borrowers on behalf of the holder of the loan. The LOAN SERVICER may be the originator of the loans/receivables, or may be another institution. The LOAN SERVICER is required to report the outstanding U.S. dollar-denominated LIABILITIES of the UNITED STATES borrowers owed to FOREIGNERS on Form BL-2, and outstanding FOREIGN currency loans or receivables owed to the UNITED STATES entities on Part 2 of Forms BQ-1 or BQ-2.

LONG-TERM SECURITIES -- Public and private issues of debt and equity securities that either have no contractual maturity or have an original maturity of more than one year. In addition, for the purpose of the TIC forms LONG-TERM SECURITIES include rights, scrip, American Depositary Receipts/Shares (ADRs/ADSs), and certificates or receipts of the coupons of stripped securities regardless of their maturity. Transactions in LONG-TERM SECURITIES with FOREIGNERS are reportable on TIC Form S. LONG-TERM SECURITIES exclude "banking" instruments such as negotiable certificates of DEPOSIT, DEPOSIT NOTES and loans regardless of maturity.

MORTGAGE-BACKED SECURITIES (MBS) -- MBS include mortgage pass-through securities, collateralized mortgage-backed obligations (CMOs), real estate mortgage investment conduits (REMICS), CMO and REMIC residuals, and stripped MORTGAGE-BACKED SECURITIES (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

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 or FOREIGN PUBLIC BORROWERS.

NON-BANK BANK -- Institutions that take either DEPOSITS or loans but not both and are grandfathered from the definition of a bank under UNITED STATES banking regulations.

OPERATING LEASE -- A lease under which the full or almost full transfer of ownership of the equipment or other asset from the lessor to the lessee is not intended. Usually, the lessor is responsible to maintain and service the asset. Payments under

OPERATING LEASES are not reported on the TIC B forms unless the payments are in arrears. (See also FINANCIAL LEASE.)

OWN FOREIGN OFFICES -- See General Instructions, Section I.

OVERDRAFT -- DEPOSIT account where insufficient funds are held in the account. OVERDRAFTS are extensions of credit that are reported as a borrowing (overdrawn accounts of the reporter) or as a loan (overdrawn accounts of the reporter's customers). OVERDRAFTS should be reported gross and not netted against good balances.

PARTICIPATED CREDITS/PARTICIPATIONS -- A loan transaction whereby one bank contracts other banks to participate in making a large loan where several banks may each lend a portion of the amount to the borrower. Each participant should report the amount of its own share in the PARTICIPATED loan.

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 are to be reported as borrowings from or loans to FOREIGNERS, collateralized by the underlying assets. Specifically:

(a) U.S. dollar-denominated funds received from FOREIGNERS from REPURCHASE AGREEMENTS are reported in "Other LIABILITIES" on Form BL-1. The transfer of the securities should be excluded from purchases or sales on TIC Form S.

(b) U.S. dollar-denominated funds lent to FOREIGNERS should be reported as a CLAIM on Form BC and BQ-1. The receipt of the securities as collateral should be excluded from purchases or sales on TIC Form S.

(c) Funds denominated in FOREIGN currency received or lent from REPURCHASE AGREEMENTS with FOREIGNERS should be reported on TIC Form 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. Therefore, the selling institution removes the transferred assets from its balance sheet. 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 Form S and the exchange of cash should be excluded from the TIC B forms.

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. Therefore only after receiving payment for any trade should CLAIMS and LIABILITIES be reported.

SHORT-TERM SECURITIES - Debt instruments with an original maturity of one year or less.

SUBCUSTODIAN -- Institutions that are responsible for the safekeeping of financial assets for another CUSTODIAN. A UNITED STATES SUBCUSTODIAN of a FOREIGN GLOBAL CUSTODIAN can be an UNITED STATES branch, SUBSIDIARY or correspondent bank of the FOREIGN GLOBAL CUSTODIAN. Conversely, a FOREIGN local SUBCUSTODIAN can be a FOREIGN SUBSIDIARY of the UNITED STATES GLOBAL CUSTODIAN, a FOREIGN SUBSIDIARY of other UNITED STATES GLOBAL CUSTODIANS, a FOREIGN depository institution, or a correspondent agent bank in the FOREIGN local market. Further, FOREIGN institutions that perform functions similar to those of the Depository Trust Company (DTC), such as Cedel and Euroclear, can also serve as a GLOBAL CUSTODIAN'S FOREIGN, local SUBCUSTODIAN. (Please refer to Appendix I and II for the reporting responsibilities of CUSTODIANS.)

SUBSIDIARY-- An entity that the reporter directly or indirectly owns more than 50 percent of the outstanding voting stock.

UNAFFILIATED FOREIGN BANKS -- See General Instructions, Section I.

UNITED STATES -- The fifty 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, Guam, Midway Island, the UNITED STATES Virgin Islands, Wake Island, and U.S. MILITARY FACILITIES.

U.S. ASSETS -- FOREIGN CLAIMS on UNITED STATES residents.

U.S. BALANCE OF PAYMENTS -- A record of transactions between the residents of the UNITED STATES, including its territorial possessions and FOREIGNERS over a specific period of time. The U.S. BALANCE OF PAYMENTS is composed of three accounts: the current account, the capital account and the financial account. The current account balance measures trade in goods and services, income flows and unilateral transfers. The capital account consists of capital transfers such as debt forgiveness. The financial account records transactions in financial assets between UNITED STATES residents and FOREIGNERS.

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. GOVERNMENT AGENCY AND GOVERNMENT-SPONSORED ENTERPRISE SECURITIES -- Securities that are guaranteed by or are the obligation of a federal agency, a federal instrumentality, or a government-sponsored enterprise. These securities include MORTGAGE-BACKED SECURITIES that were issued by, guaranteed by, or are the obligation of a federal agency, a federal instrumentality, or a government-sponsored enterprise, including participation certificates, pass-throughs, CMOs, REMICS, and IO or PO issues. U.S. GOVERNMENT AGENCY SECURITIES exclude privately issued MORTGAGE-BACKED SECURITIES even if the underlying collateral is government guaranteed.

U.S. TREASURY SECURITIES -- Instruments that are direct obligations of the UNITED STATES Treasury, including bills, notes, bonds, Treasury Inflation-index securities, and stripped coupons and securities from which one or more coupons have been detached.

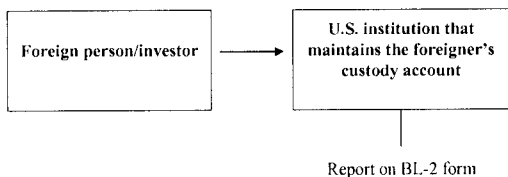
WARRANT -- An instrument giving the holder the right to buy from, or to sell to, the issuer a specified amount of currency, commodity, or financial instrument at a specified price over a specified period. Warrants are excluded from the TIC B forms. However, transactions with FOREIGNERS in WARRANTS on LONG-TERM SECURITIES are reportable on TIC Form S.

APPENDIX I

Who Must Report Custody Item on Form BL-2

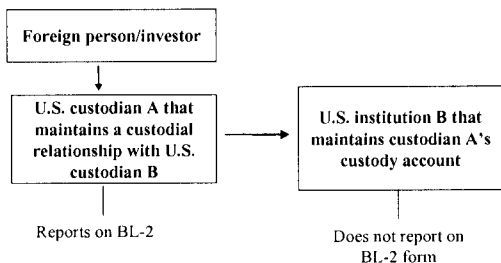
FLOWCHART 1

• A foreign person/investor uses a U.S. based custodian



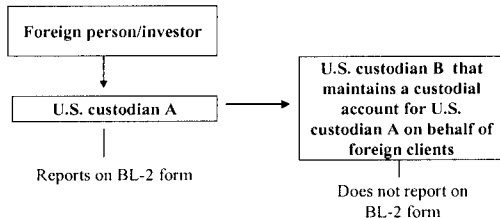
FLOWCHART 2

• A U.S. custodian that uses another U.S. custodian for its own account



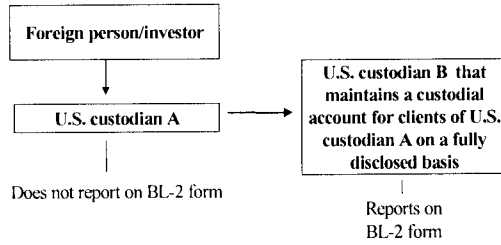
FLOWCHART 3

• A U.S. custodian that maintains a custody account in its own name on behalf of foreign clients with another U.S. custodian



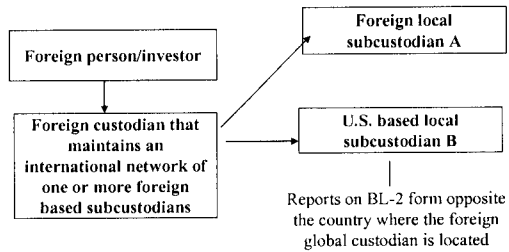
FLOWCHART 4

- A U.S. custodian that entrusts the assets of its foreign clients on a fully disclosed basis to another U.S. custodian



FLOWCHART 5

- A foreign person/investor uses a foreign-based global custodian

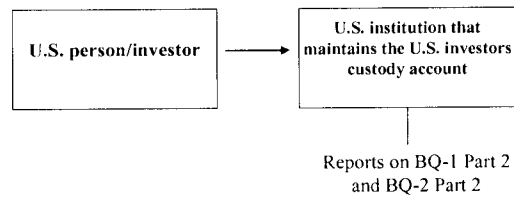


APPENDIX II

Who Must Report Custody on Form BQ-1 and BQ-2

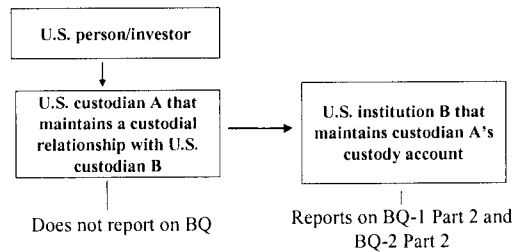
FLOWCHART 1

• A U.S. person/investor uses a U.S. based custodian



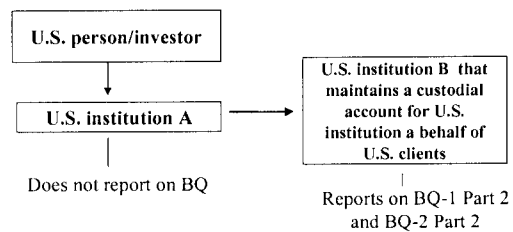
FLOWCHART 2

• A U.S. custodian that uses another U.S. custodian for its own account



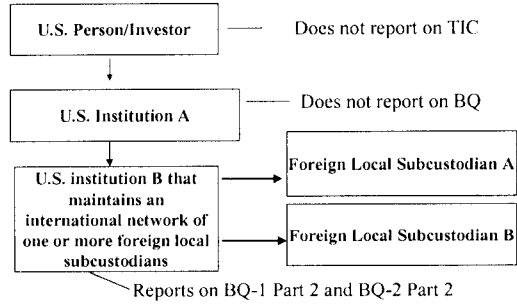
FLOWCHART 3

A U.S. custodian that maintains a custody account in its own name on behalf of U.S. clients with another U.S. custodian



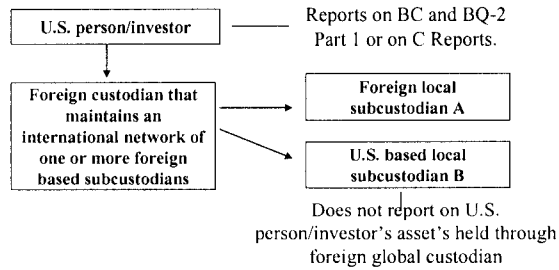
FLOWCHART 4

A U.S. custodian subcontracts with a U.S.-based global custodian



FLOWCHART 5

• A U.S. person/investor uses a foreign-based global custodian



Appendix III

DEPARTMENT OF THE TREASURY

List of Certain Foreign Institutions Classified
as Official for Purposes of Reporting on the Treasury
International Capital (TIC) Forms

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

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

<http://www.treas.gov/tic/forms.htm>

Appendix IV

DEPARTMENT OF THE TREASURY

G E O G R A P H I C A L C L A S S I F I C A T I O N

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

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

<http://www.treas.gov/tic/forms.htm>