

**Guidelines for Preparing an Error-Free Report of Foreign Holdings
of U.S Securities, Including Selected Money Market Instruments
(SHL and SHLA)
Common Reporting Problems**

Introduction

The following guidelines serve as a reference for preparing the Report of Foreign Holdings of U.S. Securities, Including Selected Money Market Instruments (SHL and SHLA). These guidelines are primarily based on common reporting errors and the edit process developed and used by the Federal Reserve Bank of New York. However, they should not be used as a substitute for the SHL and SHLA instructions. They should be viewed as a supplemental source of information to help ensure data accuracy.

Federal Reserve Bank of New York
Statistics Function
Securities Reports Division
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SHL and SHLA Common Reporting Problems

| Line Number | Item Description | Common Error | Correct Reporting |
|-------------|--------------------------------|---|---|
| 1 | Reporter Identification Number | Tax identification number reported. | The reporter identification number (also known as the RSSD ID) provided by the FRBNY should be reported. This number typically has three or more leading zeros, which should be included in the reported ID number. |
| 2 | Sequence Number | The same number is reported for all records. | Each record should be reported with a distinct sequence number, preferably in sequential order. Data submitted on multiple media for the same reporter identification number are not required to have distinct sequence numbers; however, distinct sequence numbers are useful when identifying and discussing problematic records. |
| 4 | Custodian/Issuer Code | Securities issued by reporter are coded as custodian. | U.S. securities issued by the reporter should be coded as issuer even if also held in custody by the reporter. |
| 5 | Security ID | Adjusted security ID reported. | The actual security identification number (e.g., CUSIP, ISIN, Common Code) should be reported without characters appended for internal purposes. |
| 5 | Security ID | Internal security IDs reported for restricted securities. | Restricted securities should be reported using the security ID for the comparable unrestricted security (e.g., CUSIP, ISIN, Common Code). |

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| 5 | Security ID | Excessive internal security IDs reported. | Whenever possible, use CUSIP codes to identify the security. Internal IDs should be kept to a minimum. IDs from a numbering agency (e.g., ISIN, CUSIP, Common Code) should be reported for securities other than limited partnership shares, certain money market instruments, and possibly other securities not traded on exchanges. |
| 6 | Security ID System | Numbering agency security IDs are coded incorrectly, usually as internal IDs. | Security ID systems reported should be checked to ensure they coincide with the structure of the reported security ID (e.g., CUSIPs are nine characters long, ISINs are 12 characters long and the first two characters are alphabetic). In addition, internally generated security IDs should be reviewed to ensure they are coded correctly. |
| 6a | Security ID Comment Line | Other (code 9) is reported for the security ID system (line 6) and the security ID comment line (line 6a) is not reported. | The name of the organization generating the security ID (line 5) should be reported if the security ID is not a CUSIP, ISIN, CINS, Common Code, or Internally Generated ID. |

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| 7 | Security Description | Information not provided or the information does not describe the security. | Whenever possible, information describing the type of security, dividend, coupon rate, and special features, such as the calculation of floating or indexed interest rates should be included. |
| 8 | Name of Issuer | Information not provided or the information does not include the name of the issuer. | Whenever possible, the legal name of the entity that issued the security should be included. Securities issued by a branch of a bank should include the location of the issuing branch. |
| 9 | Type of Issuer | Information not provided or the information does not coincide with the name of issuer. | The type of issuer should correspond to the name of issuer. |
| 10 | Security Type | Bond funds are reported as debt. | All funds, regardless of the type of securities they own, should be reported as equity (security type 3). |
| 10 | Security Type | Convertible debt is reported as equity. | Securities that have an embedded option to convert the security to equity should be reported as debt, security type 7, until the option has been exercised and the debt securities have been converted to equity. |

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| 10 | Security Type | Treasury STRIPS and other stripped securities reported as all other debt | U.S. Treasury STRIPS and other stripped securities should be reported as a bond or note, stripped (security type 10). |
| 10 | Security Type | Partnership interests reported as fund shares or common stock | Partnership interests should be reported as other equity (security type 4). |
| 11 | Registered/ Bearer Indicator | Equity securities reported as bearer | Equity securities should always be reported as registered securities. |
| 12 | Term Indicator | Term indicator is reported based on remaining maturity | The original maturity must be properly determined in order to report the correct term indicator. Short-term debt securities have an original maturity of one year or less; Long-term debt securities have an original maturity of more than one year. |
| 12 | Term Indicator | Equity securities are reported with term indicators | For equity securities, this item should be left blank. |
| 13 | Currency of Denomination | Information not provided when the currency is US\$. | A currency must be provided for all securities. If denominated in US\$ the code USD must be reported. |

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| 13 | Currency of Denomination | The currency reported is defaulted to US\$. | The actual currency of denomination of each security should be reported. |
| 14 | Country of Foreign Holder | Incorrect codes reported, e.g., IRS codes. | The country codes listed in Appendix C of the instructions must be used. These codes are the same as the country codes used on the Treasury International Capital (TIC) reports. |
| 14 | Country of Foreign Holder | Country codes 1007 and 01007 are reported as the country of foreign holder. | The country codes for United States are 01007 and 1007. These codes should not be reported as the country of foreign holder. These securities should be coded with the appropriate foreign country code or excluded from the report if they represent securities owned by U.S. residents. |
| 14 | Country of Foreign Holder | Excessive reporting of country unknown (code 88862). | Generally, country unknown is only acceptable for bearer debt. |
| 14 | Country of Foreign Holder | Information not provided when the security is held at a foreign central securities depository (e.g., Euroclear or Clearstream). | The country where the foreign central securities depository (CSD) is located should be reported if the reporter does not know the location of the security owner, but only knows that the securities are held at a foreign CSD. For example, securities held at Euroclear and Clearstream should be reported with the country of foreign holder for Belgium (code 10251) and Luxembourg (code 11703), respectively. |

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| 15 | Type of Foreign Holder | Inaccurately coding foreign official institutions as other | The foreign official institutions listed in Appendix D should be reported as foreign official (holder type 1). These organizations coincide with the foreign official institutions used for the Treasury International Capital (TIC) reports. |
| 16 | US\$ Fair (Market) Value of Foreign Held U.S. Security | The fair (market) value is calculated incorrectly. | Report the fair (market) value of securities as of June 30. The fair (market) value follows the definition of FAS 115. If the best available fair (market) value or market price is not as of June 30 and there is doubt as to whether to report the valuation available or to report zero, please contact FRBNY report staff. |
| 16 | US\$ Fair (Market) Value of Foreign Held U.S. Security | The fair (market) value is converted to US\$ incorrectly. | If the exchange rate is quoted in units of foreign currency per US\$, divide the fair (market) value in currency of denomination (line 16a) by the exchange rate to obtain the US\$ value for line 16. If the exchange rate is quoted in US\$ per units of foreign currency, multiply the fair (market) value in currency of denomination (line 16a) by the exchange rate to obtain the US\$ value for line 16. |
| 16 | US\$ Fair (Market) Value of Foreign Held U.S. Security | The fair (market) value is converted to US\$ using the incorrect exchange rate. | The spot exchange rate as of the close of business June 30 should be used to convert each foreign currency fair (market) value to the US\$ equivalent. |

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| 16a | Fair (Market) Value in Currency of Denomination of Foreign Held U.S. Security | Information not provided when the currency is US\$. | The fair (market) value denominated in the currency of issue must be provided for all securities. If denominated in US\$ the value in line 16a will be equal to the value reported in line 16. |
| 16a, 19, 22, 23 | Fair (Market) Value, Face Value, Original Face Value and Remaining Principal Outstanding in Currency of Denomination of Foreign Held U.S. Security | The currency of the value reported is different from the currency of denomination reported. | The foreign currency items should be reported consistently. For example, a reporter may believe that their organization's database only stores the US\$ equivalent market value, therefore, the currency code is always reported as US\$, but the actual market value reported has been denominated in a currency other than US\$. |

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| Line Number | Item Description | Common Error | Correct Reporting |
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| 16a, 19,22, 23 | Fair (Market) Value, Face Value, Original Face Value and Remaining Principal Outstanding in Currency of Denomination of Foreign Held U.S. Security | The currency of the value reported (e.g., market value) is different from the currency used for other values reported (e.g., face value). | The foreign currency items should be reported consistently. For example, if the reported market value of a security originally denominated in a Euro legacy currency has been converted to Euros, the corresponding face value should also to be reported denominated in Euros. |
| 16a | Fair (Market) Value in Currency of Denomination of Foreign Held U.S. Security | The fair (market) value for asset-backed securities is overstated because the original face value is used in the computation rather than remaining principal outstanding. | The fair (market) value denominated in currency of issue for asset-backed securities is calculated by multiplying the <u>remaining principal outstanding</u> in currency of issue by its quoted June 30 market price. |

SHL and SHLA Common Reporting Problems

| Line Number | Item Description | Common Error | Correct Reporting |
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| 17 | Zero US\$ Fair (Market) Value | Information not provided when the US\$ fair (market) value is zero. | A reason should be provided explaining why securities have been reported with a zero US\$ fair (market) value. |
| 17 | Zero US\$ Fair (Market) Value | Securities with a reported US\$ fair (market) value greater than zero are reported as impaired or thinly traded. | This item should be left blank for all securities that have a reported US\$ fair (market) value greater than zero. |
| 18 | Number of Shares | Securities with a number of shares equal to zero are reported. | Securities with the amount foreign held of zero should not be reported. |
| 19 | Face Value in Currency of Denomination | Number of units held is reported rather than the face value held. | If a security is traded in units, calculate the total face value by multiplying the number of units held by the face value of each unit. |
| 21 | Maturity Date | The next call date is reported rather than the final maturity date. | The original, final maturity date should be reported rather than interim call or repricing dates. |

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| Line Number | Item Description | Common Error | Correct Reporting |
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| 22 | Original Face Value in Currency of Denomination | Number of units held is reported rather than the original face value held. | If a security is traded in units, calculate the total face value by multiplying the number of units held by the face value of each unit. |
| 23 | Remaining Principal Outstanding in Currency of Denomination | Number of units held is reported rather than the remaining face value held. | If a security is traded in units, calculate the total remaining principal outstanding by multiplying the number of units held by the remaining value of each unit. |
| 23 | Remaining Principal Outstanding in Currency of Denomination | The remaining principal outstanding is calculated incorrectly. | Calculate the remaining principal outstanding by multiplying the original face value by the factor value as of June 30. |
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