

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

April 5, 2006

To: All Institutions required to file the Report of U.S. Ownership of Foreign Securities, Including Selected Money Market Instruments (SHC).

Subject: SHC Forms Revisions and Instruction Clarification

The United States Department of the Treasury (Treasury) has released for comment the following revisions to the SHC forms, effective with the report as-of December 31, 2006:

## **Schedule 2**

- Line 7, Security Types 5 through 12 will be revised to separate the term (short-term or long-term) from the security attributes. Overall, the total number of security types will be reduced from 12 to 10. Security Types 1 through 4 will remain unchanged. A revised listing of Security Types 5 through 10 is listed in the Federal Register Notice.
- Line 10, "Intentionally Left Blank" will be revised to collect "Term Indicator" information for securities reported with Security Types 5 through 10 based on original maturity.
- The requirement to provide the reason for zero U.S. market value for a particular security holding will be removed. Line 15, "If US\$ Fair (Market) value is zero, please indicate reason" will be re-titled "Intentionally Left Blank." The electronic file format will remain unchanged.

## **Schedule 3**

- The collection of securities held directly with foreign-resident custodians (custodian code 77) and foreign securities held directly, managed directly, or held with U.S.-resident central securities depositories (custodian code 88) will be eliminated. These securities must instead be reported in detail on Schedule 2.

The following instructional clarification was also approved:

- The reporting instructions for Schedule 2, Line 13, "Ownership Code" will be clarified as follows to distinguish "Other" (option 5) and "Unknown" (option 6):

- Option 5: Your Organization is the custodian and the beneficial owner is identified as a U.S.-resident who is not a mutual fund, pension fund, or insurance company (which are reported in codes 2 through 4). When your organization is the custodian and cannot identify the entity type of the beneficial owner, the ownership code should be reported as Option 6.
- Option 6: Your organization is the custodian and the entity type of the beneficial owner is unknown.

The Federal Register Notice, which describes the changes to the forms, is enclosed. The comment period of this notice will end on May 30, 2006. The draft forms and instructions can be obtained from the Treasury Web site at: <http://www.treas.gov/tic/forms.html#benchmark>. You can sign up for e-mail alerts concerning form and instruction changes on the Federal Reserve Bank of New York Web site at: <http://www.newyorkfed.org/banking>.

If you have any questions regarding the SHC report, please contact a member of the Securities Reports Division staff at (212) 720-6300 or at [SHC.HELP@ny.frb.org](mailto:SHC.HELP@ny.frb.org).

Sincerely,

***\*Signed by Debra L. Gruber***

Debra L. Gruber  
Statistics Officer  
International Reports Department