WELCOME TO
THE TREASURY INTERNATIONAL
CAPITAL (TIC) SECURITIES FORM
SEMINAR

SEPTEMBER 21, 2004
SEMINAR PRESENTERS

Patricia Selvaggi
Diane Iacopelli
Samantha Lewis-Hue
Anthony Guglielmo
Eric Heine
FOREIGN PURCHASES AND SALES OF LONG-TERM SECURITIES
THE

TI C REPORTING

SYSTEM
BACKGROUND

- Origin
- Purpose
- Publications
- Authority
- Confidentiality

TIC website  [http://www.ustreas.gov/tic](http://www.ustreas.gov/tic)
<table>
<thead>
<tr>
<th>Report Series/Form</th>
<th>Frequency</th>
<th>Data Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TIC B Series (Banking)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC, BL-1, BL-2</td>
<td>Monthly</td>
<td>Reporter’s Own and U.S. Customers’ Liabilities to, and Claims on Foreign Residents filed by Depository Institutions, Bank Holding Companies (BHCs), Financial Holding Companies (FHCs), and Securities Brokers/Dealers</td>
</tr>
<tr>
<td>BQ-1, BQ-2, BQ-3</td>
<td>Quarterly</td>
<td></td>
</tr>
<tr>
<td>BC(SA), BL-1(SA), BL-2(SA)</td>
<td>Semiannual</td>
<td></td>
</tr>
</tbody>
</table>
## TIC REPORT SERIES

<table>
<thead>
<tr>
<th>Report Series/ Form</th>
<th>Frequency</th>
<th>Data Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIC C Series (Nonbanking)</td>
<td>Quarterly</td>
<td>Financial/Commercial Liabilities to, and Claims on Foreign Residents filed by U.S. Residents Other than Depository Institutions and Securities Brokers/Dealers</td>
</tr>
<tr>
<td>CQ-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CQ-2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### TIC REPORT SERIES

<table>
<thead>
<tr>
<th>Report Series/ Form</th>
<th>Frequency</th>
<th>Data Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIC S Series (Securities)</td>
<td>Monthly</td>
<td>Purchases and Sales of Long-Term Securities by Foreigners filed by U.S. Residents</td>
</tr>
<tr>
<td>Form S/ Memorandum</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FRBNY WEB SITE

http://www.newyorkfed.org/index.html
FRBNY WEB SITE

http://www.newyorkfed.org/banking/index.html
We collect and analyze a wide range of reports on behalf of the Federal Reserve and other government agencies. Here you will find forms, instructions and other information related to regulatory and statistical reporting.

Financial Interpretation No. 46 (FIN 46) and Regulation D
On January 26, 2004, the Legal Division of the Board of Governors issued a staff opinion stating that certain liabilities of asset-backed commercial paper conduits are not considered "deposits" for Regulation D purposes. On February 13, 2004, the Statistics Function sent a related letter to depository institutions in the Second District.
RELATIONSHIP TO OTHER REPORTS

- Foreign Holdings of U.S. Securities, Including Selected Money Market Instruments (Form SHLA/ Form SHL)
  http://www.newyorkfed.org/banking/reportingforms/SHLA.html

- U.S. Ownership of Foreign Securities, Including Selected Money Market Instruments (Form SHCA/ Form SHC)
  http://www.newyorkfed.org/banking/reportingforms/SHCA.html
GENERAL INSTRUCTIONS
WHO MUST REPORT

- U.S. entities who buy or sell long-term securities directly from or to foreigners

Including:
- Depository Institutions (including BHCs/FHCs)
- Nonbank Holding Companies
- Securities Brokers and Dealers
- Insurance Companies
- Investment Managers (e.g., pension funds, mutual funds, hedge funds, limited partnerships)
- Industrial and commercial entities
- Other investors or nonbanking entities
WHERE TO FILE

Depository Institutions → District FRB

All Other Entities → New York FRB
### CONSOLIDATION RULES

<table>
<thead>
<tr>
<th>Filing Responsibility</th>
<th>Entities to Include</th>
<th>Entities to Exclude *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depository Institutions</td>
<td>All U.S. located Offices (including IBFs)</td>
<td>Parent Organization</td>
</tr>
<tr>
<td>BHCs/FHCs</td>
<td>• Own</td>
<td>Banking Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>• U.S. Nonbanking Subsidiaries</td>
<td>Broker/Dealer Subsidiaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Insurance Underwriting Subsidiaries</td>
</tr>
<tr>
<td>Banking Edge Act or Agreement Corporation</td>
<td>Same methodology used for quarterly Condition Report (FR 2886b) **</td>
<td></td>
</tr>
<tr>
<td>U.S. Branches/Agencies of Foreign Banks</td>
<td>Offices in same state and FRB district</td>
<td></td>
</tr>
<tr>
<td></td>
<td>** Note: Offices in same state but different FRB district should file separately in the district they operate</td>
<td></td>
</tr>
</tbody>
</table>

* Files a separate report

** Include all branches and unlying subsidiary companies
<table>
<thead>
<tr>
<th>Filing Responsibility</th>
<th>Entities to Include</th>
<th>Entities to Exclude *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonbanking Companies</td>
<td>• U.S.-resident Offices</td>
<td>• Broker/Dealer Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>• U.S.-resident Subsidiaries</td>
<td></td>
</tr>
<tr>
<td>Insurance Underwriting Companies</td>
<td>• U.S.-resident Offices</td>
<td>• Broker/Dealer Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>• U.S.-resident Subsidiaries</td>
<td>• Banking Subsidiaries</td>
</tr>
<tr>
<td>Brokers/Dealers</td>
<td>• U.S.-resident Offices</td>
<td>• Banking Subsidiaries</td>
</tr>
<tr>
<td></td>
<td>• U.S.-resident Nonbanking Subsidiaries</td>
<td>• Insurance Underwriting Subsidiaries</td>
</tr>
<tr>
<td>Fund Managers (e.g., mutual funds, pension funds, hedge funds, limited partnerships)</td>
<td>• All U.S. resident Funds they manage</td>
<td></td>
</tr>
</tbody>
</table>

* Files a separate report
## EXEMPTION LEVEL

<table>
<thead>
<tr>
<th>Form S</th>
<th>REQUIRED TO FILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Total purchases or total sales are $50M or more</td>
<td>X</td>
</tr>
<tr>
<td>Total purchases and total sales are both less than $50M</td>
<td>X</td>
</tr>
</tbody>
</table>

Note: Once you exceed the exemption level, you must continue to file for the remaining calendar year and the following calendar year.
DATES

- **As of Date**
  - Last business day of each month

- **Due Date**
  - No later than the 15th calendar day following the last day of the month

Note: If the due date of a report falls on a weekend or holiday, the due date is the following business day
DATA SUBMISSION

- **Reporter’s Information**
  - RSSD_ID
  - Legal name of reporting institution

- **Signature Requirement**
  - Signed by authorized officer

- **Method of Submitting**
  - Mail
  - Fax
  - Hand-delivered
  - The Internet (IESUB)
DATA SUBMISSION

Alternative Method of Reporting:

- Computer generated forms must receive written approval from the responsible Federal Reserve Bank

Forms and instructions can be printed from http://www.ustreas.gov/tic/forms.html
INTERNET DATA SUBMISSION

Internet Electronic Submission System (IESUB)

Features of IESUB:
- Data entry
- Spreadsheet file transfer
- User friendly and convenient
- Eliminates paper and fax
- Ability to submit reports for multiple DI's to multiple Reserve Banks
- Validity checking
- Confirmation of receipt

For additional information refer to www.reportingandreserves.org/iesub.html
MAINTAINING DATA RECORDS

- Record/ Report Retention
  - Reports must be retained for 3 years from the date of submission
GENERAL RULES
GENERAL RULES

Report:
- In millions of U.S. dollars
- Positive and whole values (no negatives or decimals)
- U.S. dollar equivalent of foreign currency-denominated transactions (use spot rate on the as-of date of the report)
- Gross using settlement date accounting
- Securities at cost regardless of discounts or premiums
- Aggregate transactions in the month they settle
KEY TERMS & DEFINITIONS
DEFINITIONS

- United States
  - 50 States and District of Columbia
  - The Commonwealth of Puerto Rico and Northern Mariana Islands
  - U.S. territories (e.g., U.S. Virgin Islands, Wake Island)
DEFINITIONS

- **U.S. Resident**

  Individuals, corporations, or other organizations located in the United States

  For example:
  - A U.S. branch of a German bank
  - A U.S. incorporated fund that invest solely in foreign-issued securities
  - An individual residing outside the U.S. who files an IRS Form W-9
DEFINITIONS

\section*{Foreign Resident}
Individuals, corporations, or other organization located outside the United States

For example:
\begin{itemize}
  \item A U.K. branch of a U.S. bank
  \item Individuals that have filed an IRS Form W-8
  \item U.S. corporations that have \textit{re-incorporated} under the laws of a foreign country (e.g., Tyco International)
\end{itemize}
DEFINITIONS

Foreign Resident

For example:

- International or Regional organizations and affiliated agencies (e.g., International Bank for Reconstruction and Development (IBRD) and United Nations (U.N.))
DEFINITIONS

- Foreign Official Institutions (FOIs)

  Includes:
  - Treasuries (including ministries of finance or corresponding departments)
  - Central banks
  - Stabilization funds (including official exchanges control offices or other gov’t. exchange authorities)
  - Diplomatic & consular establishments
DEFINITIONS

Foreign Official Institutions (FOIs)

Includes:

- Other departments and agencies of national governments
- International and regional organizations
- Banks, corporations or other agencies (including Development banks) that are majority-owned by central governments and act as fiscal agents of the government
DEFINITIONS

- **Location of Foreign Purchaser or Seller**
  Transaction should be reported opposite the country or geographical area in which the direct purchaser or seller resides

For example:
- Purchases of L.T. securities by a U.K. branch of a Swiss bank should be reported opposite the United Kingdom (row 1300-5)
DEFINITIONS

\textbf{Location of Foreign Purchaser or Seller}

For example:
\begin{itemize}
  \item Sales of L.T. yen-denominated securities by a Paris office of a German bank should be reported opposite France (row 1080-4)
\end{itemize}
DEFINITIONS

- Location of Foreign Purchaser or Seller

Exceptions:
- Branches or agencies of Foreign Official Institutions
- Bank for International Settlements (BIS)
- International and multi-national regional organizations
For a list of countries and their codes refer to the Geographical Classification list in the Instructions for the TIC Securities Form S, Appendix I

For a list of Foreign Official Institutions refer to the Instructions for the TIC Securities Form S, Appendix II

For Frequently Asked Questions refer to Q & A for TIC Form S
DEFINITIONS

- **Custodian**
  A bank or other institution that manages or administers the custody or safekeeping of securities or other assets for clients. A custodian could have a network of local and/or global sub-custodians

For example:
  - A New York bank that holds L.T. securities in a fiduciary account in the name of its customer
DEFINITIONS

- **Short-Term (S.T.)**
  An original maturity of one year or less

For example:
- A note that was issued today that has a maturity date of April 20, 2005
- A Treasury bill issued today that has a maturity date of Sept. 1, 2005
DEFINITIONS

- **Long-Term (L.T.)**
  An original maturity of more than one year from date of issuance or no contractual maturity (e.g., equity)

For example:
- A 5-year note that has 6 months remaining to maturity
- Stock issued by a New York resident company
DEFINITIONS

\textbf{Long-Term Domestic Securities}
Securities issued by entities located within the United States that have either no contractual maturity (e.g., equities) or an original maturity of more than one year from the date of issuance

For example:
\begin{itemize}
  \item Stock issued by a NY corporation
  \item 15-year notes (issued in Dec. 1989) by a Boston company with 1 month remaining to maturity
\end{itemize}

Note: S.T. securities (an original maturity of one year or less) should be excluded
DEFINITIONS

- Long-Term Foreign Securities
  Securities issued by entities located outside the United States that have either no contractual maturity (e.g., equities) or an original maturity of more than one year from the date of issuance.

  For example:
  - Depositary receipts (e.g., ADS, GDRs)
  - Brady bonds
  - 15-year global notes issued by IBRD

Note: S.T. securities (an original maturity of one year or less) should be excluded.
DEFINITIONS

Financing Agreements

The sale of financial assets (Repurchase agreement) or the purchase of financial assets (Reverse Repurchase Agreement) by one party to another party, subject to agreement to repurchase or resale the assets at a specified date or in specified circumstances.

Note: Financing agreements are not reportable on Form S
LETS TAKE A BREAK
LET'S TAKE A BREAK
QUESTIONS & ANSWERS
QUESTIONS & ANSWERS
SPECIFIC INSTRUCTIONS
WHAT TO REPORT

- Direct transactions between U.S. residents and Foreign residents

Types of transactions to include:
  - Purchases of L.T. securities
  - Sales of L.T. securities
  - New Issues of L.T. securities
  - Redemptions of L.T. securities
  - Conversions of financial instruments to L.T. securities
REPORTABLE SECURITIES

- L.T. debt issued by U.S. residents and Foreign residents

  Include:
  - Bonds and Debentures
    - Zero coupon debt
    - Floating rate debt
    - Convertible debt
    - Perpetual debt
REPORTABLE SECURITIES

- L.T. debt issued by U.S. residents and Foreign residents

Include:
- Asset-Backed Securities
  - Mortgage-backed securities
  - Collateralized Debt Obligations (CDOs)
- Notes
  - Floating rate notes (FRNs)
  - Medium-term notes (MTNs)
REPORTABLE SECURITIES

- Equity issued by U.S. residents and Foreign residents

Include:
- Common stock
- Preferred stock
- Options and warrants on L.T. securities
- Shares of Funds (e.g., mutual, pension, hedge, money market) and Investment companies
- Limited partnership interest
EXCLUSIONS

Excludes:

- S.T. securities (an original maturity of one year or less)
- New offering of securities issued by foreigners for the sale only to foreigners
- Interest payments on securities
- Dividend distributions
- CDs, deposit notes, bankers’ acceptances, loan participations
EXCLUSIONS

Exclude:

- Securities involved in Repurchase/Resale or similar financing agreements
- Securities lending transactions/
  Securities taken in or lent as collateral
- Derivatives (including forward contracts)
- Direct investment (10% or more of voting stock)
- Custodial holdings of L.T. securities
FORM LAYOUT

- The Layout:
  - Foreign Country Column (far left-hand side column)
    - Country location of the direct purchaser or seller
  - Columns
    - Purchases and Sales of L.T. securities by Issuer (domestic or foreign)
    - by Security type (debt or equity)
  - Memorandum
    - Purchases and Sales of L.T. domestic securities by Foreign Official Institutions
HOW TO REPORT

Form S is completed from the viewpoint of the foreigner

- A **sale** by your institution to a foreigner is reported on Form S as a **purchase** by a foreigner
- A **purchase** by your institution to a foreigner is reported on Form S as a **sale** by a foreigner

Note: If the foreigner is a Foreign Official Institution remember to also include in the Memorandum section
### HOW TO REPORT

<table>
<thead>
<tr>
<th>Transactions in L.T. Securities:</th>
<th>Reportable on</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Form S</td>
<td>Form S</td>
</tr>
<tr>
<td>U.S. issuers of L.T. securities directly in a foreign market</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>U.S. entities purchasing or selling L.T. securities directly with foreigners that are not Foreign Official Institutions</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>U.S. entities purchasing or selling L.T. domestic securities directly with Foreign Official Institutions</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>U.S. entities purchasing or selling L.T. foreign securities directly with Foreign Official Institutions</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

**Form S**
- Purchases & Sales of Domestic Securities
- Purchases & Sales of Foreign Securities

**Memorandum to Form S**
- Purchases & Sales of Domestic Securities
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Columns 1 &amp; 2</td>
<td>Columns 3 &amp; 4</td>
<td>Columns 5 &amp; 6</td>
<td>Columns 7 &amp; 8</td>
</tr>
<tr>
<td></td>
<td>Millions</td>
<td>Millions</td>
<td>Columns 9 &amp; 10</td>
<td>Columns 11 &amp; 12</td>
</tr>
<tr>
<td>Austria</td>
<td>1018-9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9999-6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**MEMORANDUM:**

PURCHASES AND SALES OF LONG-TERM DOMESTIC SECURITIES BY FOREIGN OFFICIAL INSTITUTIONS

Fill in country name & code (e.g., Canada, 2999-8) + Grand Total 9999-6
FUNDS AND REPORTING BY FUND MANAGERS
FUND MANAGERS

- Fund Managers should include on a consolidated basis the reportable transactions of all the funds they manage.

For example include:
  - Mutual funds
  - Pension funds
  - Hedge funds
  - Limited partnerships
### FUND MANAGERS

<table>
<thead>
<tr>
<th>When acting as an:</th>
<th>Reportable Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investor</strong></td>
<td><strong>Intermediary</strong></td>
</tr>
<tr>
<td>Report <em>direct</em> purchases and sales of L.T. securities (debt &amp; equity) with foreign residents</td>
<td>Report <em>direct</em> purchases and sales by foreign residents of the shares of ‘The Fund’ or ‘Limited Partnership’</td>
</tr>
</tbody>
</table>

*Note: Shares of funds are considered equity*
Transaction 1
A U.S.-resident fund buys stock of a Mexican company through a London broker for its own portfolio.

Reports a sale by a foreigner of foreign stock (Form S, Column 12, United Kingdom (row 1300-5))
Transaction 2
A Swiss-resident investor buys shares of a New York incorporated bond fund. No U.S. broker is acting as an intermediary.

U.S.-resident Fund → Shares of a U.S. fund → Foreign Investor

Reports a purchase by a foreigner of domestic stock (Form S, Column 7, Switzerland (row 1268-8))
**Transaction 3**
A U.S.-resident institutional investor buy shares of N.Y. incorporated Latin American bond fund for their own portfolio. **No broker is acting as an intermediary.**

Note: The fund’s portfolio has no bearing on the reportability.
**Transaction 4**
A U.S.-resident institutional investor buy shares of London registered bond fund for their own portfolio. **No U.S. broker is acting as an intermediary.**

![Diagram](attachment:image.png)

- **U.S. Investor**
- **Shares of Foreign Fund**
- **London Fund**

Reports a sale by a foreigner of foreign stocks (Form S, Column 12, United Kingdom (row 1300-5))
NEW ISSUES
AND
REDEMPTIONS
NEW SECURITY ISSUES

- New Public Offerings of L.T. Securities Issued by U.S. Residents

The U.S. manager of an underwriting group for a new offshore security issue should report:

- The amount of the issue taken by foreign members of the underwriting group
- The amount of the issue taken by the manager’s own foreign customers

Note: The other U.S. members of the underwriting group should report the amount of the issue taken by their foreign customers as purchases by foreigners
NEW SECURITY ISSUES

- New Public Offerings of L.T. Securities Issued by Foreign Residents

The U.S. manager of an underwriting group for a new foreign security issue should report:

- The amount of the issue sold to U.S. members of the underwriting group
- The amount of the issue sold to the manager’s own U.S. customers
- The amount of the foreign issue that remains unsold and retained by the reporter at the end of the offering

Note: The other U.S. members of the underwriting group should report the amount by their foreign customers as purchases by foreigners
PRIVATE PLACEMENTS

- Private Offerings of L.T. Securities

Any U.S. resident acting in its own behalf or on the behalf of its customers as an intermediary should report the private placement of:

- U.S. securities with foreign investors
- Foreign securities with U.S. investors

Note: A U.S. issuer of a private placement using a foreign intermediary to place the security outside the U.S. should report on Form S
# REPORTING NEW U.S. ISSUED SECURITIES

## Report as Purchases by Foreigners of Domestic Securities
(include private and public issues)

<table>
<thead>
<tr>
<th>Foreign Countries</th>
<th>Bonds of U.S. Govt. Corporations and Federally-Sponsored Agencies</th>
<th>Corporate and Other Bonds</th>
<th>Domestic Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria 1018-9</td>
<td>(e.g., USD 15 yr. global notes of Fannie Mae)</td>
<td>(e.g., Euro 5 yr. FRNs of an insurance company located in Kansas)</td>
<td>(e.g., $3B common stock issue of company located in Texas)</td>
</tr>
<tr>
<td>Grand Total 9999-6</td>
<td>Column 3 Millions</td>
<td>Column 5 Millions</td>
<td>Column 7 Millions</td>
</tr>
</tbody>
</table>

Report the amount taken by foreign investors (including foreign members of the underwriting group) in the appropriate country/ column
NEW OFFSHORE SECURITY ISSUE

**Transaction 5**
A U.S.-resident corporate borrower issues 500M euro denominated medium-term notes solely to foreign-resident investors and a London broker is used.

U.S.-resident Issuer → **Medium-term Notes** → Foreign broker

Reports on Form S, $550M (U.S. dollar equivalent), Column 5, opposite the United Kingdom (row 1300-5)
REPORTING NEW FOREIGN ISSUED SECURITIES

<table>
<thead>
<tr>
<th>Foreign Countries</th>
<th>Foreign Bonds</th>
<th>Foreign Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Column 10 Millions</td>
<td>Column 12 Millions</td>
</tr>
<tr>
<td>Austria 1018-9</td>
<td>(e.g., 5 yr. notes of Republic of Italy)</td>
<td>(e.g., ADS issue of China Telecom Ltd.)</td>
</tr>
<tr>
<td>Grand Total 9999-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total 9999-6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Report as Sales by Foreigners of Foreign Securities (include private and public issues)
NEW FOREIGN SECURITY ISSUE

**Transaction 6**
A U.S.-resident broker is the lead manager for $1B of 30-year bonds being issued by a German entity for sale in the U.S.

U.S.-resident Broker ←––––––––––––––––– Bonds –––––––––––––––––– Foreign Issuer

↓

Reports on Form S, $1B, Column 10, Germany (row 1100-2)
## REDEMPTIONS AND CALLS

### For Sinking Fund Redemptions and Called or Matured **U.S.** Securities

<table>
<thead>
<tr>
<th>Report</th>
<th>Sales of Domestic Securities by Foreigners</th>
<th>Purchases of Domestic Securities by Foreigners</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. issuers of securities who have designated a foreign fiscal agent/paying agent for the redemption of their securities</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>U.S. fiscal agent/paying agent who have been presented with U.S. securities for redemption directly by foreigners</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
# REDEMPTIONS AND CALLS

For Sinking Fund Redemptions and Called or Matured **U.S. Securities**

<table>
<thead>
<tr>
<th>U.S. banks, other depository institutions, brokers/dealers, and other U.S. persons presenting U.S. securities for redemption on behalf of foreigners to a <strong>U.S. fiscal agent/paying agent</strong></th>
<th>Sales of Domestic Securities by Foreigners</th>
<th>Purchases of Domestic Securities by Foreigners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. banks, other depository institutions, brokers/dealers, and other U.S. persons presenting U.S. securities for redemption for their own account or the account of their U.S. customers to a <strong>foreign fiscal agent/paying agent</strong></th>
<th>Sales of Domestic Securities by Foreigners</th>
<th>Purchases of Domestic Securities by Foreigners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
**REDEMPTIONS AND CALLS**

For Sinking Fund Redemptions and Called or Matured Foreign Securities

<table>
<thead>
<tr>
<th>Report</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Foreign Securities by Foreigners</td>
<td>X</td>
</tr>
<tr>
<td>Purchases of Foreign Securities by Foreigners</td>
<td></td>
</tr>
</tbody>
</table>

U.S. banks, other depository institutions, brokers/dealers, and other U.S. persons presenting foreign securities for redemption in their name or nominee name for foreigners to a U.S. fiscal agent/paying agent.
## REDEMPTIONS AND CALLS

### For Sinking Fund Redemptions and Called or Matured Foreign Securities

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<td>X</td>
<td>X</td>
</tr>
<tr>
<td>U.S. fiscal agent/paying agent who have been presented with foreign securities for redemption</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
COMMON REPORTING ERRORS

- Erroneously Reporting:
  - S.T. securities (e.g., Treasury bills)
  - Securities held under repurchase/resale or similar financing agreements
  - Foreign currency units (e.g., 200 billion yen) instead of the U.S. dollar equivalent
  - Transactions with U.S. offices of foreign entities (e.g., NY branch of Bank Lundy Paris)
COMMON REPORTING ERRORS

- Erroneously Reporting:
  - Federally-sponsored agency securities as domestic corporate securities
  - Your role in the transaction (e.g., your purchases should be reported as sales by foreigners)
  - Opposite the country of the currency of denomination
COMMON REPORTING ERRORS

- Erroneously Reporting:
  - Opposite the country of the guarantor
  - Domestic securities as foreign securities (e.g., securities issued by BMW USA Capital) and foreign securities as domestic securities (e.g., securities issued by the IBRD)
DATA QUALITY CHECKS
DATA REVIEW

- Data are reviewed by Federal Reserve staff for:
  - Unusual changes
  - Sizeable fluctuations (dollar and/or percent)
  - Reported country (e.g., Cuba)
  - Column/row switches
  - Data omissions (e.g., trades with FOIs not reported on Memorandum)
  - New Security Issues (e.g., Offshore, Foreign)
  - Trend analysis

Note: The results of the review process may require the reporter to submit explanations and/or revisions
LET'S TAKE A BREAK
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