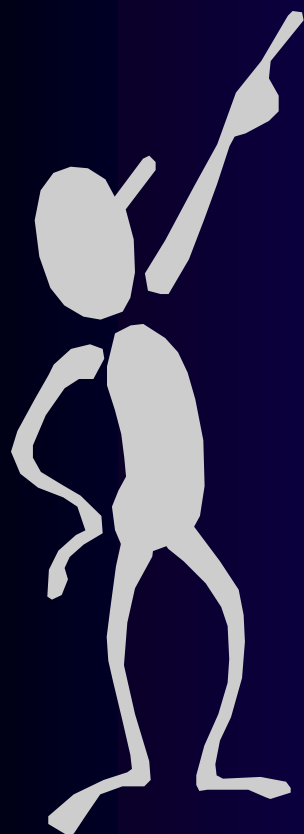


Report of US Ownership of Foreign Securities Including Selected Money Market Instruments



**Edward Friedman
Philip Papaelias
Aaron Gononsky
Lois Burns
Kenneth Aberbach
Sharon McKenzie**

November 16, 2006

History and Use of Cross-Border Portfolio Investment Data



Ed Friedman

Overview



- Part of an integrated system
- Used in conjunction with monthly flow (TIC S) data
- Annual data are detailed, but not timely
- Monthly data are very timely, but less precise
- Used together to create U.S. cross-border portfolio investment statistics

History



- Security-level data first collected in 1974
- Measured foreign investment in U.S. securities
- Congressional concern over growing foreign influence
- Existing TIC data collected monthly and quarterly, but lacked detail

History

- Levels of foreign security holdings had been modest: \$ 9 billion per year 1980-1989
- Levels steadily grew: \$65 billion per year 1990-1994
- First collected security-level data for U.S. investment in foreign securities in 1994

History

- Measured U.S. holdings of foreign securities in 1994 were 60% above estimates
- \$870 billion vs. \$540 billion
- Showed need for future detailed data collections
- Conducted next collection in 1997

History



- Crisis of 1997-1998 caught most by surprise
- Lack of key data helped mask the problem
- Led to recognition that greater financial transparency was required
- Implies higher quality and faster data needed
- Initially believed detailed collections could be conducted every 3 to 4 years to meet users needs

IMF Coordinated Data Collections



- Organized by the IMF as of year-end 1997
- 29 countries participated
- World measured additional \$750 billion
- U.S. measured an additional \$300 billion

IMF Coordinated Data Collections



- Worldwide, at year-end 1997
- Assets \$7.7 trillion
- Liabilities \$9.3 trillion
- Difference 18%
- Implied more needed to be done

IMF Coordinated Data Collection




- Second collection organized by the IMF as of year-end 2001
- 67 countries participated
- All of the major industrial countries
- Most of the major offshore financial centers
- Short-term securities included

IMF Coordinated Data Collections



- Worldwide, at year-end 2001
- Assets \$12.6 trillion
- Liabilities \$15.0 trillion
- Difference 16%
- Implied more needed to be done

IMF Coordinated Data Collections

- 
- Internationally-coordinated annual data collections
 - U.S. began conducting annual collections as of year-end 2003
 - U.S. benchmark collections every 5 years
 - U.S. “Large Reporter” collections intervening years

Annual Data

- Annual data provide more precise geography
 - Monthly long-term securities reported is based on location of purchaser/seller
 - Results in heavy bias towards financial centers such as the United Kingdom
 - Security-level collection allows for greater data editing

Data Uses



- Why care about these data?
- U.S. is the world's largest net debtor
- Level of U.S. net debt is increasing rapidly
- A cause for concern?

Users



- Board of Governors of the Federal Reserve
- U.S. Treasury
- U.S. Department of Commerce
- The IMF
- Academic research
- Private sector analysts

Institute of International Finance Recommendations

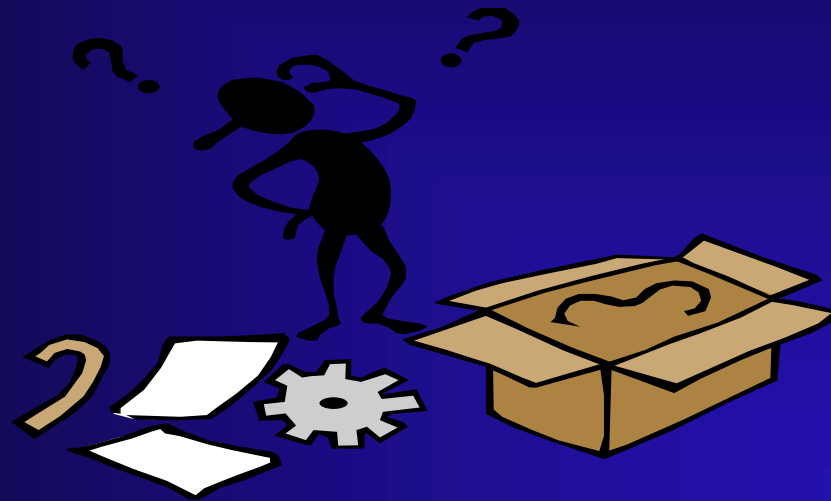
- IIF strongly urged changes
- IIF recommended a more rigorous system than will be implemented
- “...private sector participants in these markets bear a responsibility for full and timely disclosure of information on their activities.”

Summary



- Changes have increased the burden on both reporters and compilers
- By combining estimates with reported data we are attempting to limit the burden
- Timely, accurate data from reporters is the key

Who Must Report



Philip Papaelias

Agenda

- Who Must Report
 - Overview of Report Forms
 - Classification of US and Foreign
 - Reporter Categories
 - Reporting Panels
- What Must be Reported (Aaron Gononsky)
 - Securities
 - Debt
 - Equity
 - Asset Backed

Report Forms

- Schedule 1 - Reporter Contact Identification and Summary of Financial Information
- Schedule 2 - Details of Securities
- Schedule 3 - Custodians Used

Proper Classification of U.S. and Foreign

➤ Definition of United States

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

Proper Classification of U.S. and Foreign

- How to determine residency
 - Country where legally incorporated, otherwise legally organized, or licensed
 - Tax forms
 - W-8 forms are filed by foreign residents
 - W-9 forms are filed by U.S. residents
 - Mailing address

Proper Classification of U.S. and Foreign



- How to determine residency
 - Corporations incorporated in the United States are U.S. residents even if they have no “physical presence” in the United States.

Proper Classification of U.S. and Foreign

➤ Examples of U.S. residents

- Wal-Mart
- BP America Inc.
- Societe Generale New York Branch
- KfW International Finance, Inc.

➤ Examples of foreign residents

- Wal-Mart Canada
- Vodafone Group
- Bank of New York Tokyo Branch
- Tyco International, Ltd.

Proper Classification of U.S. and Foreign

- Citizenship does not determine residency
- International and regional organizations are foreign residents, even if located in the United States
 - IBRD; World Bank
 - Inter-American Development Bank (IDC)
 - International Finance Corporation (IFC)
 - Appendix E of instructions provides a complete list

Proper Classification of U.S. and Foreign

- Reporting organization
 - Report foreign securities held or managed by all U.S.-resident parts of your organization
 - U.S.-resident branches
 - U.S.-resident offices
 - U.S.-resident subsidiaries

Proper Classification of U.S. and Foreign

- Owners of securities
 - U.S.-resident clients
 - U.S-resident parts of your organization
- Securities
 - Issued by foreign organizations
 - Issued by foreign parts of your organization

Categories of Reporters



- U.S.-resident custodians
 - U.S.-resident organizations that hold in custody or manage the safe keeping of foreign securities for other U.S. residents
 - Invest in foreign securities for their own account

Categories of Reporters



- U.S.-resident end-investors
 - U.S.-resident organizations that invest in foreign securities on behalf of other U.S. residents
 - Invest in foreign securities for their own account

Categories of Reporters

- Examples of U.S.-resident end-investors
 - Managers of private and public pension funds
 - Managers of mutual funds, country funds, unit-investment funds, hedge funds, exchange-traded funds, collective-investment trusts
 - Insurance companies
 - Foundations
 - Institutions of higher learning (e.g., university endowments)
 - Trusts and estates

Categories of Reporters



- Report should be filed by the top US organization and should consolidate data for all US subsidiaries and US offices.
- This applies for both US resident custodians and US resident end investors.

Reporting Panels



- How FRBNY determines reporter panel.
 - Every 5 years, FRBNY collects data from all significant U.S. resident custodians and end-investors (“Benchmark”).
 - Once data is collected, FRBNY will determine who will be annual filers for next 4 years.

Schedule 2 and Schedule 3 Reporters Exemption Levels


- In “Benchmark” year:
 - If identified as a potential filer, MUST file Schedule 1.
 - Report Schedule 2 if total fair (market) value of reportable securities are \$100 million or more.
 - Securities entrusted to U.S. resident custodians should be reported on Schedule 3 if the fair (market) value of the foreign securities aggregated over accounts owned and/or managed equals \$100 million or more.
 - This exemption level applies to each U.S.-resident custodian used.

Schedule 2 and Schedule 3 Reporters Exemption Levels



- In “non-Benchmark” year:
 - If you are selected as annual filer, there is NO Schedule 2 exemption level (must file report every year).

Schedule 2 and Schedule 3 Reporters Exemption Levels



- Reporters are required to identify if they need to file Schedule 2, Schedule 3 or both.

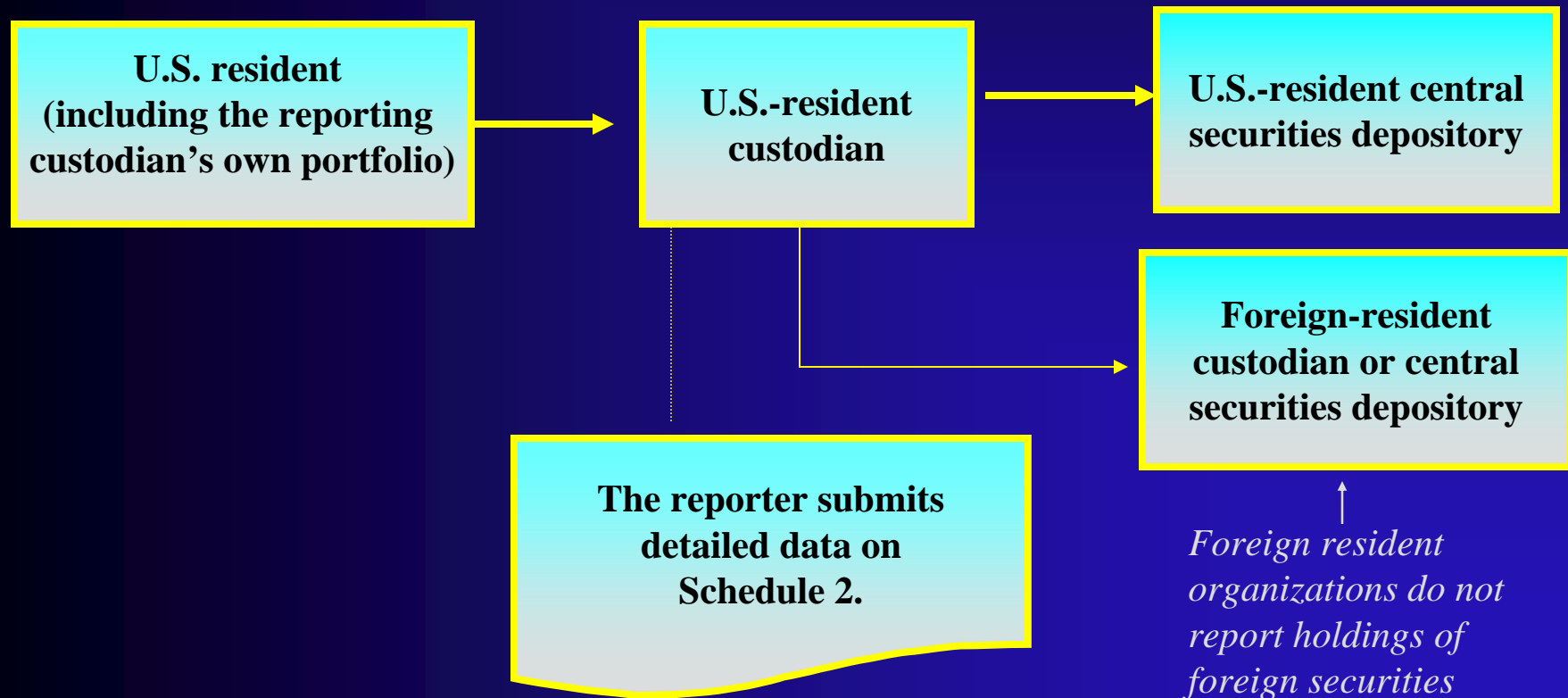
Reporting Panels

- U.S.-resident custodians
 - Schedule 2, report detailed information on foreign securities that:
 - hold in custody for U.S.-resident clients
 - invest in for own account
 - entrust to foreign-resident custodians or central securities depositories
 - entrust to U.S.-resident central securities depositories

Reporting Panels

U.S.-Resident Custodians

Schedule 2 Reporting



Reporting Panels

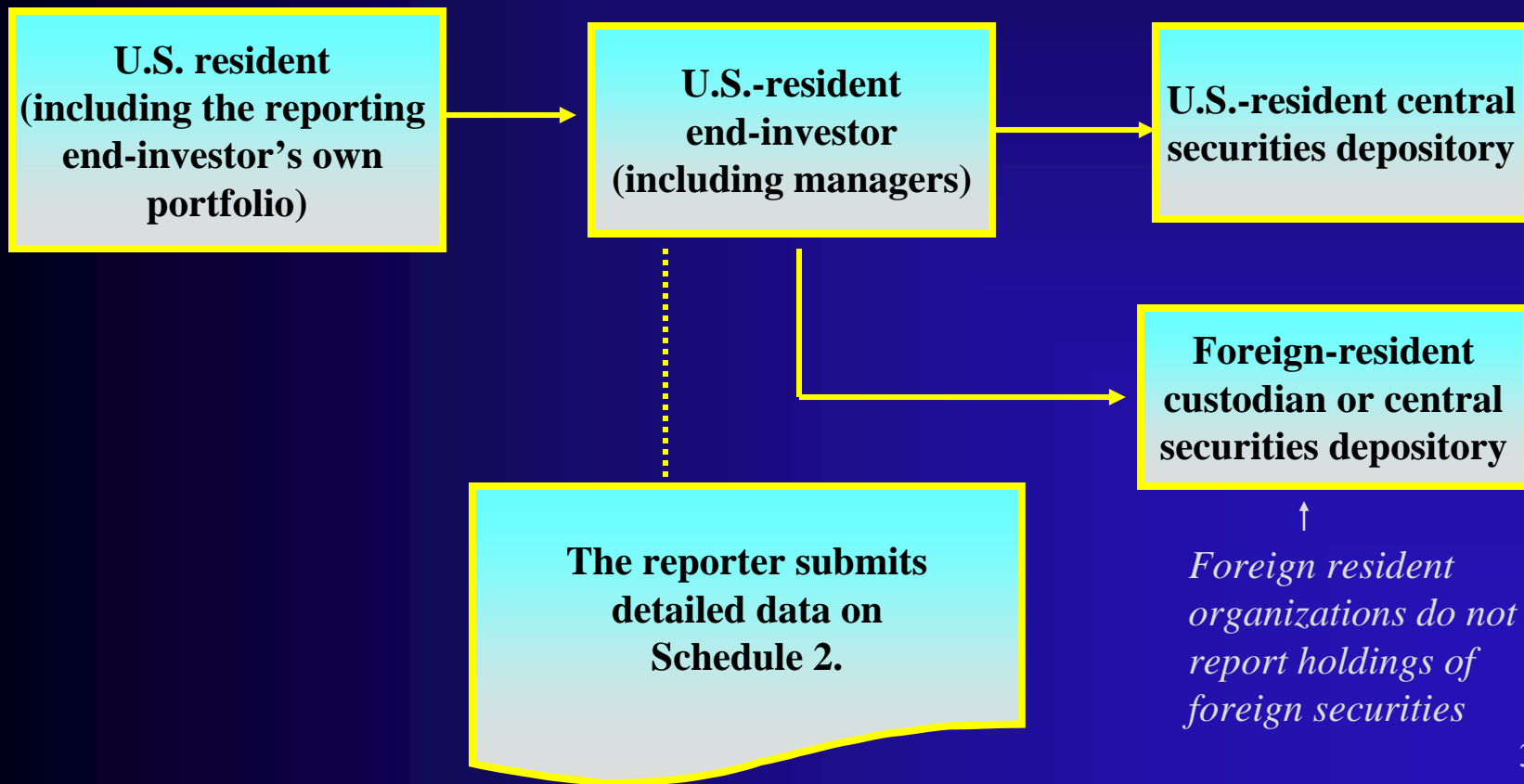


- U.S.-resident end-investors
 - Schedule 2, report detailed information on foreign securities not entrusted to U.S.-resident custodians; that is when the end-investor:
 - holds the foreign securities directly
 - employs foreign-resident custodians or foreign central securities depositories
 - employs U.S.-resident central securities depositories

Reporting Panels

U.S.-Resident End-Investors

Schedule 2 Reporting



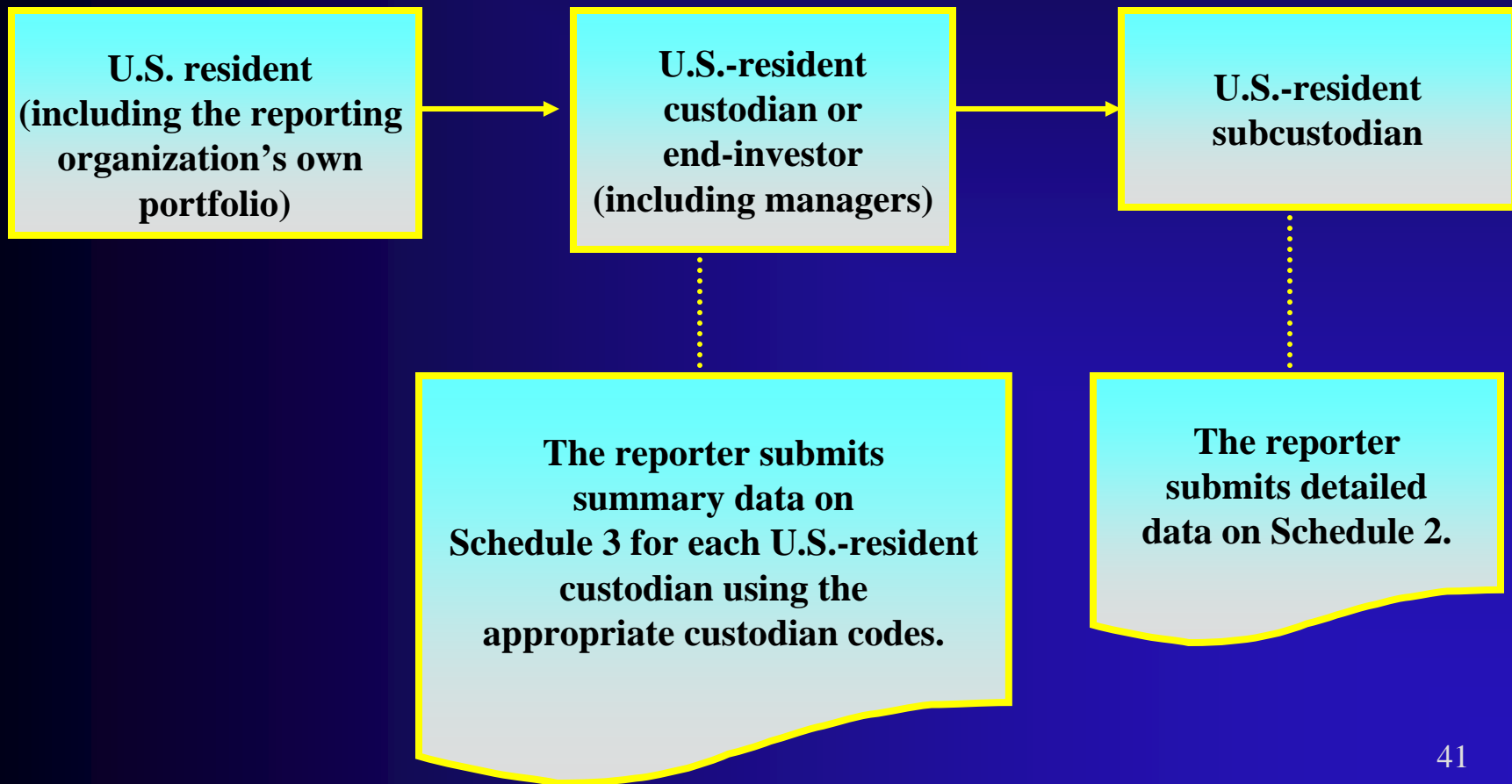
Reporting Panels



- U.S.-resident custodians and end-investors
 - Schedule 3, report summary information for foreign securities entrusted to the safekeeping of a U.S.-resident custodian (excluding U.S.-resident central securities depositories)
 - US resident sub-custodians would report detailed data on Schedule 2

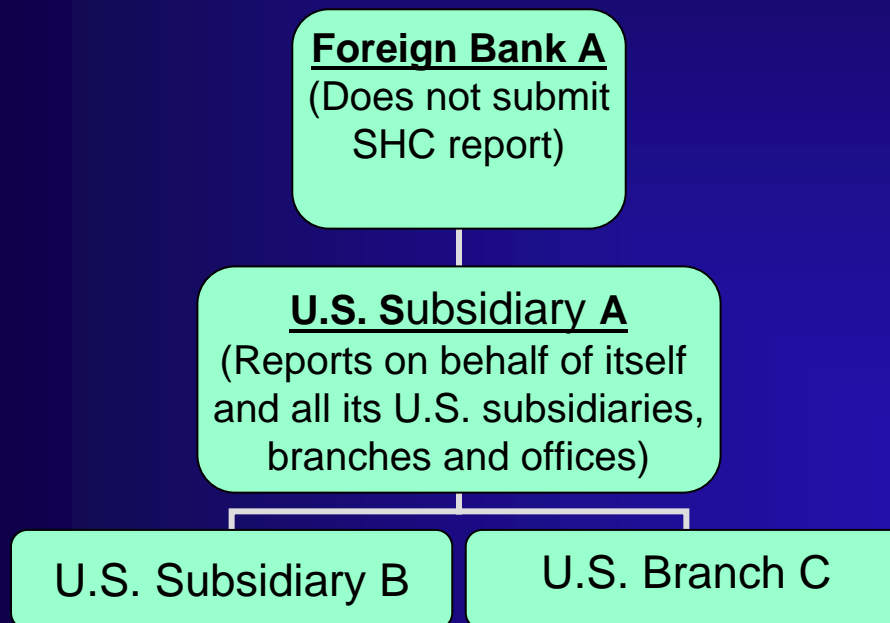
Reporting Panels

Schedule 3 Reporting



Who Must Report Consolidation Rules Scenario 1

Parent Organization is Foreign



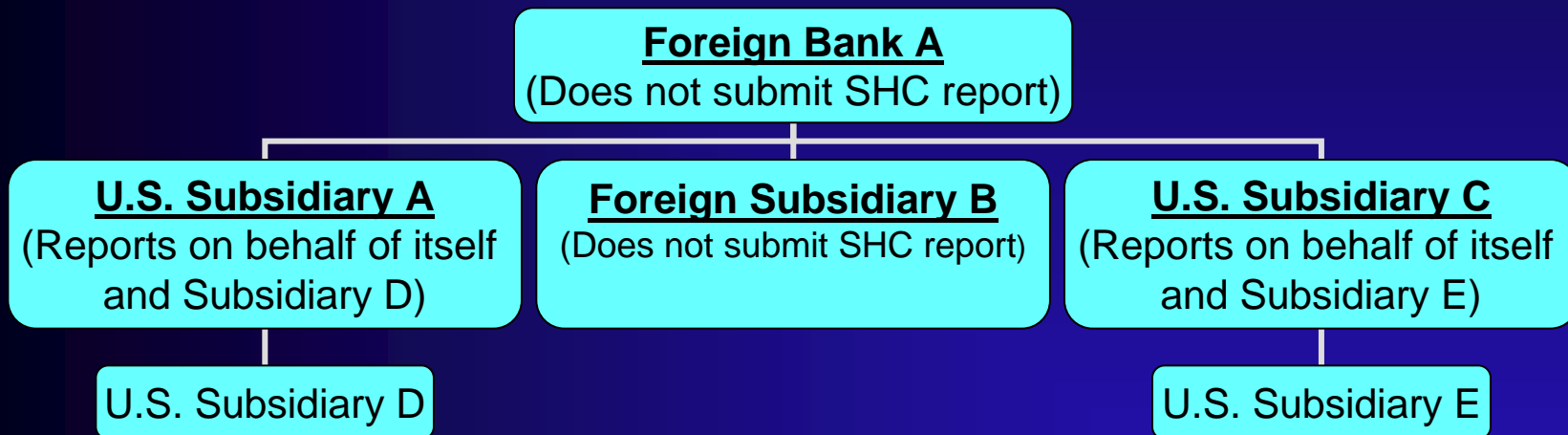
Reporting Panels




- If foreign parent directly owns US subsidiaries (no US entity between subsidiary and foreign parent), then each of these subsidiaries would file separate SHC report.

Who Must Report Consolidation Rules

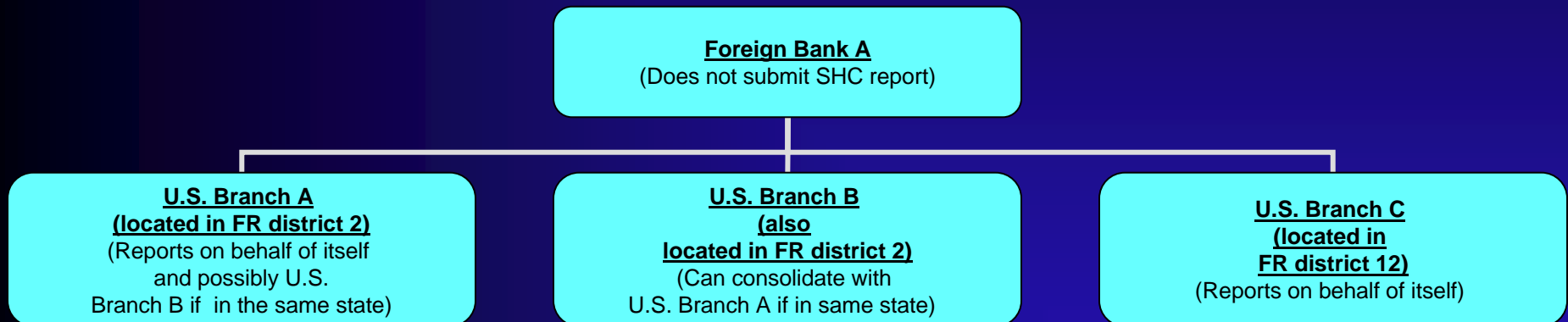
Scenario 2 - Parent Organization is Foreign



Reporting Panels

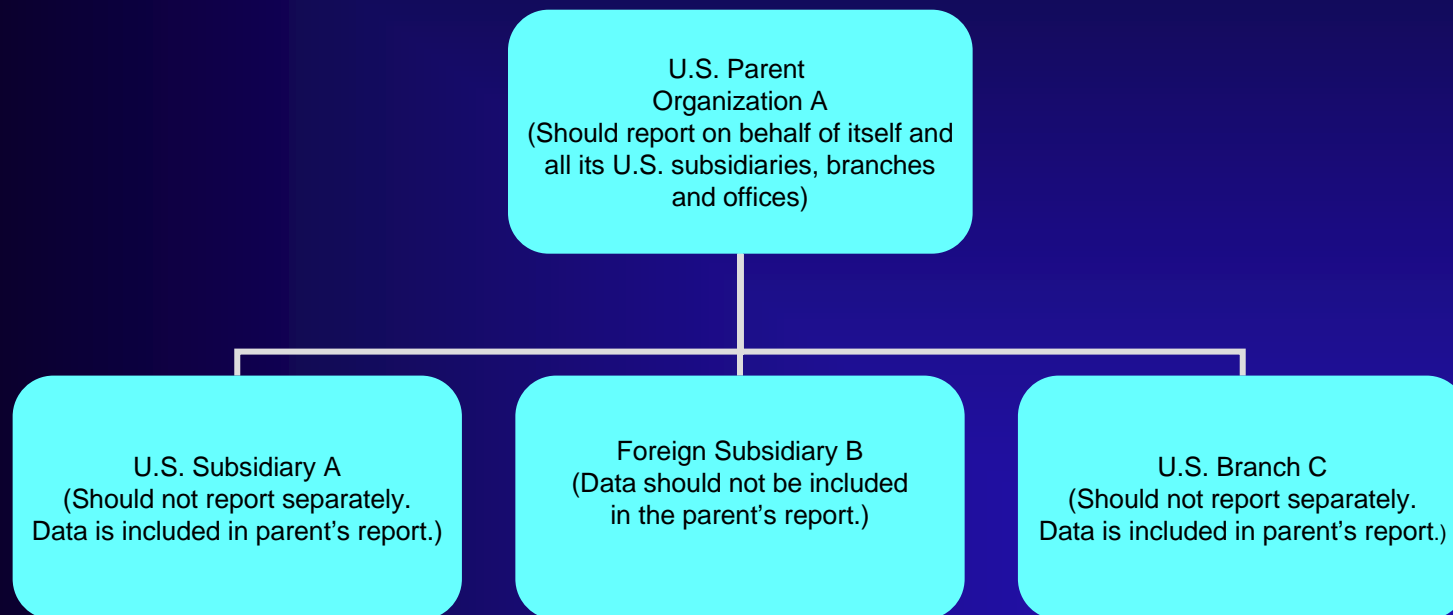
- 
- US Branches and Agencies of foreign banks may file consolidated reports if they are both directly owned by the parent AND are both in the same state and Federal Reserve district.

Who Must Report Consolidation Rules Scenario 2a – Parent Organization is Foreign



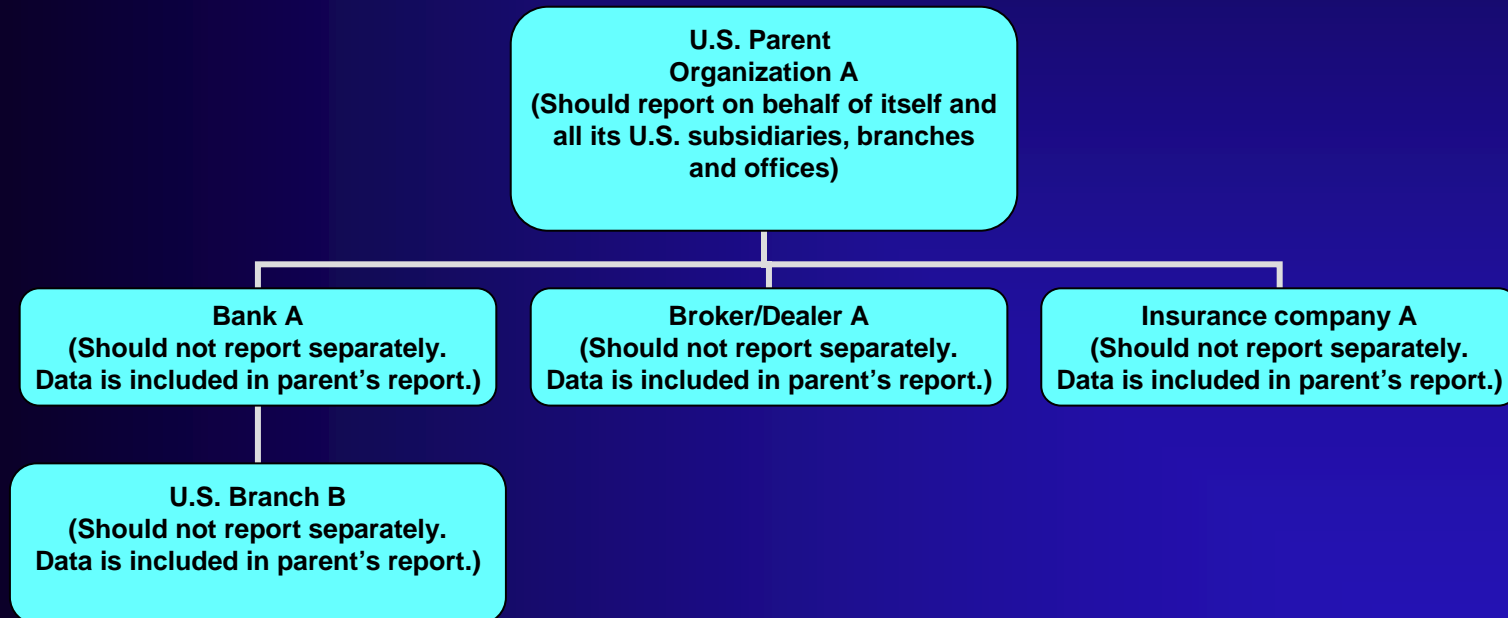
Who Must Report Consolidation Rules

Scenario 3 – Parent Organization is Located in the United States



Who Must Report Consolidation Rules

Scenario 4 – Parent Organization is Located in the United States



What Must be Reported



Aaron Gononsky

Foreign Securities

- Securities issued by foreign entities, including:
 - foreign-resident organizations
 - foreign subsidiaries of U.S. organizations
 - foreign branches of U.S. banks
 - U.S. corporations that have re-incorporated, i.e., are now incorporated under the laws of a foreign country
 - international and regional organizations

Foreign Securities



- Information that does not contribute to determining if a security is foreign:
 - place of issue or location of trades
 - currency of issue
 - nationality of parent organization
 - guarantor

Foreign Securities

Example 1



- Euro denominated 2-year note issued by a Daimler Chrysler affiliate incorporated in the United States.
- Is this security reportable?

Foreign Securities

Example 1 Answer

- Euro denominated 2-year note issued by a Daimler Chrysler affiliate incorporated in the United States.
- Is this security reportable?
- No. The security was issued by a U.S.-resident entity.

Foreign Securities

Example 2

- U.S. dollar-denominated 2-year note issued directly in the United States by Daimler Chrysler incorporated in Germany.
- Is this security reportable?

Foreign Securities

Example 2 Answer

- U.S. dollar-denominated 2-year note issued directly in the United States by Daimler Chrysler incorporated in Germany.
- Is this security reportable?
- Yes. This security was issued by a foreign-resident entity. The currency of denomination and place of issue do not factor into the decision of whether the security is foreign or not.

Foreign Securities

Example 3

- U.S. dollar-denominated asset-backed security issued by Company B incorporated in Hong Kong and guaranteed by the parent, Company A, incorporated in the United States.
- Is this security reportable?

Foreign Securities

Example 3 Answer

- U.S. dollar-denominated asset-backed security issued by Company B incorporated in Hong Kong and guaranteed by the parent, Company A, incorporated in the United States.
- Is this security reportable?
- Yes. This security was issued by a foreign-resident entity. The location of the guarantor does not factor into the decision of whether the security is foreign or not.

Types of Reportable Foreign Securities



- Equity
- Non Asset-Backed Debt
- Asset-Backed Debt

Equity



- Instruments representing an ownership interest in foreign-resident organizations.
- Ownership interests representing direct investment should not be reported.

Equity



- Reportable equity securities include:
 - common stock
 - restricted stock
 - preferred stock
 - depositary receipts/shares
 - shares/units in foreign-resident funds
 - limited partner ownership in foreign-resident limited partnerships

Equity

- Security type = 1 (common stock)
 - all common stock, including restricted stock
 - depositary receipts/shares where the underlying security is common stock
- Security type = 2 (preferred stock)
 - all preferred stock, including restricted stock
 - participating preference shares
 - nonparticipating preference shares
 - convertible preferred stock
 - depositary receipts/shares where the underlying security is preferred stock

Equity



- Security type = 3 (funds)
 - shares/units in foreign-resident funds
- Security type = 4 (other equity)
 - limited partner ownership in foreign-resident limited partnerships
 - all other foreign equity not specified in security types 1, 2, and 3

Equity

Depository Receipts/Shares



- Reportable depository receipts/shares are those where the underlying security was issued by a foreign resident.
- ADRs, ADSs, GDRs, IDRs are considered foreign securities for this report.

Equity

Depository Receipts/Shares

- Issuers of depository receipts/shares should not report the holdings of the underlying foreign securities.
- U.S.-resident holders of the depository receipts/shares should report these holdings.

Equity

Depository Receipts/Shares

- Report the following based on the depository receipt/share:
 - security id
 - security description
 - depository receipt/share indicator
 - currency of denomination
 - market value
 - number of shares held

- Report the following based on the underlying security:
 - security type
 - name of issuer
 - country of issuer

Equity

Depository Receipts/Shares Example

- U.S. Company A has issued \$100 million of ADRs representing an ownership interest in a Swiss company. U.S. Company B purchases these ADRs.
- What should Company A and B report?

Equity Depository Receipts/Shares Example Answer

- U.S. Company A has issued \$100 million of ADRs representing an ownership interest in a Swiss company. U.S. Company B purchases these ADRs.
- What should Company A and B report?
- Company B should report the holdings of \$100 million of ADRs. Company A would not report equity ownership in the Swiss company.

Equity

Foreign-Resident Funds

- Report U.S. residents' ownership of shares/units of funds legally established outside of the United States as equity.
- Examples of funds:
 - closed-end and open-end mutual funds
 - money market funds
 - exchange-traded funds
 - index-linked funds
 - investment trusts
 - hedge funds

Equity

Foreign-Resident Funds

- Classification of the fund as “foreign” is not based on the securities that the fund invests in.
- Example:
 - A fund established in Bermuda that only purchases U.S. Treasury securities is a foreign-resident fund.
 - A fund established in the United States that only purchases Japanese Treasury securities is a U.S.-resident fund.

Equity Exclusions

- Exclude from equity:
 - convertible debt
 - convertible debt is reportable as debt.
 - general partner ownership of foreign-resident limited partnerships
 - all other direct investment

Non Asset-Backed Debt



- Instruments that usually give the holder the unconditional right to financial assets.

Term



- Determine term, (short-term or long-term), based on the original maturity of the security.
- Original maturities of one year or less are short-term.
- Original maturities of greater than one year are long-term.

Term



- Debt with multiple call options (multiple maturity dates) is long-term if any of the maturity dates is greater than one year from the date of issue.
- Perpetual debt is long-term.

Term Examples



- A Japanese Treasury bill issued on November 15, 2006 and matures on February 15, 2007 is short-term.
- A German 30-year bond that matures on January 15, 2007 is long-term.

Debt



- Security type 5 - Commercial Paper
 - Includes **all** commercial paper, including asset-backed commercial paper
- Security type 6 - Negotiable CDs
 - negotiable certificates of deposit
 - negotiable bank notes
 - negotiable deposit notes

Debt



- Security Type 7 – Convertible Debt
 - Convertible bonds
 - Zero coupon convertible debt

Debt



- Security type 8 – Zero Coupon & Stripped Securities
 - Bond and notes that do not provide explicit interest payments
 - Zero-coupon convertible debt should be reported as Security Type 7
 - Stripped asset-backed securities should be reported as Security Type 10

Stripped Securities

- Reportable stripped securities are those where the issuer of the stripped security is a foreign-resident entity.
- Residency of the stripped security is not determined by the issuer of the underlying security.

Stripped Securities Example



- U.S. Company A owns \$100 million of German bonds. U.S. Company A issues stripped securities where these German bonds are the underlying securities. U.S. Company B purchases these stripped securities.
- What should Company A and B report?

Stripped Securities Example Answer

- U.S. Company A owns \$100 million of German bonds. U.S. Company A issues stripped securities where these German bonds are the underlying securities. U.S. Company B purchases these stripped securities.
- What should Company A and B report?
- Company A reports the ownership of \$100 million of German bonds. The stripped securities are not reported by either company.

Debt



- Security type 9 – Unstripped Bond or Note & all other Non Asset-Backed Debt
 - Non asset-backed debt not covered in Security Types 5 – 8
 - Bonds that cannot be converted to equity
 - Provide explicit interest payments
 - Have not been stripped
 - Commonly referred to as “Straight Debt”

Debt Exclusions



- Exclude from short-term and long-term debt:
 - shares/units in foreign-resident funds, even if the foreign fund invests in debt.
 - loans
 - trade credits
 - accounts receivable
 - derivatives
 - non-negotiable certificates of deposit

Debt



- Security type 10 – Asset-Backed Securities
 - Securitized interest in a pool of assets, which give the purchaser a claim against the cash flows generated by the underlying assets.

Asset-Backed Securities



- Reportable asset-backed securities are those where the issuer securitizing the assets is a foreign resident.
- The underlying asset is not a factor in determining whether the ABS is a foreign security.

Asset-Backed Securities



- Reportable asset-backed securities include:
 - collateralized mortgage obligations (CMOs)
 - collateralized bond obligations (CBOs)
 - collateralized loan obligations (CLOs)
 - collateralized debt obligations (CDOs)

Asset-Backed Securities



- Reportable asset-backed securities include:
 - other securities backed by:
 - mortgages
 - credit card receivables
 - automobile loans
 - consumer and personal loans
 - commercial and industrial loans
 - other assets

Asset-Backed Securities Exclusions

- Exclude from asset-backed securities:
 - asset-backed commercial paper
 - Brady bonds
 - securities backed by a sinking fund
 - covered bonds (e.g., Pfandbrief)
- These securities are reportable but should be included in Security Types 5 - 9

Repurchase Agreements Security Lending Arrangements

- Repurchase agreements/securities lending arrangements and reverse repurchase agreements/securities borrowing arrangements involve the temporary transfer of a security for cash or another security.

Repurchase Agreements Security Lending Arrangements

- The security lender should report the foreign security as if no repo or security lending arrangement occurred.
- The security borrower should exclude the foreign security.

BREAK



What's New/Changed for 2006



Lois Burns

What is New/Changed



Two Types of Changes

- Those that will require re-programming
- All other changes

What is New/Changed



Changes Requiring Reprogramming

- Elimination of Respondent Classifications
 - All reporters are required to file Schedule 2 and/or 3 , as appropriate (unless exempt)
 - Elimination of Custodian Codes 77 and 88 for Schedule 3

What is New/Changed



Changes Requiring Reprogramming

Schedule 2, line 6, Security ID System and Appendix C

- Addition of codes for the Bloomberg and Reuters identification systems

**DO NOT USE THESE CODES UNLESS
NO OTHER, NON-INTERNAL, CODES ARE
AVAILABLE.**

What is New/Changed

Changes Requiring Reprogramming

Schedule 2, line 7, Security Type

- Reduction in security type codes for all forms of debt from 8 to 6 to remove the term attribute

What is New/Changed

Changes Requiring Reprogramming

Schedule 2, line 10

- Re-titled Term Indicator to collect the term (short-term or long-term) of a debt security based on original maturity
- Formerly titled “Intentionally Left Blank”

What is New/Changed

Changes Requiring Reprogramming

Schedule 2, line 15

- Elimination of reason for zero market value
- Now titled “Intentionally Left Blank”

What is New/Changed



Other Changes

Schedule 1

- Addition of a new item on line 15,
Valuation Technique (s) Used to Determine
Market Values
- Renumbering of lines subsequent to 15

What is New/Changed

Other Changes

Schedule 2, line 11 Country of Issuer

- Updated country list (Appendix D)
 - Change in country code for Greenland from 60887 to 10545

What is New/Changed

Other Changes

Schedule 2, line 11 Country of Issuer

- Updated country list (Appendix D)
 - Assignment of specific codes to three additional international and regional organizations:

50318 Bank of Central African States

50644 Central Bank of West African States

35416 Eastern Caribbean Central Bank

What is New/Changed

Other Changes

Schedule 2, line 11 Country of Issuer

- Updated country list (Appendix D)
 - Elimination of specific code for BLADEX (Banco Latino Americano de Exportaciones, S.A.)

Code securities issued by BLADEX with the general code 79995.

What is New/Changed

Other Changes

Schedule 2, line 11 Country of Issuer

➤ Updated country list (Appendix D)

➤ Addition of three new countries:

54518 Mayotte (new 2005)

60119 Wallis and Fortuna (new 2005)

47201 West Bank and Gaza (new 2006)

What is New/Changed

Other Changes

Schedule 2, line 11 Country of Issuer

- Updated country list (Appendix D)
 - Revised captions for the existing codes:
 - 13102 to Holy See (Vatican City) from Vatican City
 - Minor wording changes especially regarding inclusions and exclusions of political subdivisions e.g. 11509 Italy (*excluding San Marino*)

What is New/Changed

Other Changes

Schedule 2, line 12 Currency of
Denomination

- Updated currency list (Appendix F)
 - Revision of the captions of some currencies

e.g., BAM from Convertible Marks to Bosnia & Herzegovina Convertible Marks

What is New/Changed

Other Changes

Schedule 2, line 12 Currency of
Denomination

- Updated currency list (Appendix F)
 - Addition of new currencies:
 - ADP Andorran Peseta,
 - AOR Angolan Kwanza Reajustado
 - TRY Turkish Yani

What is New/Changed

Other Changes

Schedule 2, line 13

- Clarification of instructions for ownership codes:
 - 5 (custodian – entity type of customer known and not a type specified in other codes) and
 - 6 (custodian – entity type of customer unknown)

What is New/Changed



Other Changes

Schedule 3

- Update of custodian code list (Appendix G)
 - Removal of references to “Schedule 3 only” reporter and custodian codes 77 and 88
 - Expansion of names of companies associated with certain custodian codes

What is New/Changed



Other Changes

Incorporation of Information on Internet Electronic Submission (IESUB)

- Changes to the General Instructions II. E. Submission Instructions and Contact Information
- Update of the Technical Information on Electronic Submission (Appendix I)

What is New/Changed



Other Changes

- Flow Charts (Appendix B) on who reports and on what schedules
 - Elimination of reference to reporter classification
 - Addition of identification of the reporter's position on the charts

What is New/Changed



Other Changes

Submission deadline is the first Friday of the March following the as of date of the report.

Data retention period of 36 months, instead of 24 months

What is New/Changed



Other Changes

Changes in wording for greater consistency with SHL(A) (Report of Foreign Holdings of U.S. Securities, Including Selected Money Market Instruments OMB # 1505-0123)

(There is a summary of the changes to the Schedule 2 and Schedule 3 in your seminar packet.)

Key Issues/Common Reporting Errors



Lois Burns

Key Issues/Common Reporting Errors

Communication

- Please keep us informed of changes in the name, address, certifier and other contacts, etc. of your organization.
- Please address the issues that we brought up in your feedback letter for the previous year's submission *before* you file for the current year.
- Call for help at any time.

Key Issues/Common Reporting Errors

Securities to be **included** that are mistakenly excluded:

- securities issued by international and regional organizations, including those with headquarters/facilities in the U.S.

EXAMPLES

Inter-American Development Bank (IDB)
International Bank for Reconstruction and Development
(IBRD)
International Monetary Fund (IMF)

Key Issues/Common Reporting Errors

Securities to be **included** that are mistakenly excluded:

- securities issued by companies that have headquarters in the U.S and do business primarily in the U.S. but are incorporated outside the U.S., including formerly U.S.-resident companies that have re-incorporated outside of the U.S.

(See hand-out on Reincorporated Companies, also at this URL, <http://www.newyorkfed.org/stats/usown/company.pdf>.)

Key Issues/Common Reporting Errors

Securities to be **included** that are mistakenly excluded:

- securities issued by foreign-resident subsidiaries or offices of U.S.-resident entities

EXAMPLE

Negotiable certificates of deposit issued by non-U.S. branches of U.S. banks.

Key Issues/Common Reporting Errors

Securities to be **included** that are mistakenly excluded:

- restricted securities
- securities in custodians' own portfolios
- securities held in trading accounts
- depositary receipts, if the underlying security is foreign
- matured securities that are outstanding

Key Issues/Common Reporting Errors

Securities to be **included** that are mistakenly excluded:

- securities entrusted to U.S.-resident or foreign-resident central securities depositories
(e.g.: Depository Trust Company (DTC); Euroclear)
- securities entrusted to foreign-resident custodians, including foreign offices of U.S.-resident custodians

Key Issues/Common Reporting Errors

Securities to be **excluded** that are mistakenly included:

- foreign securities underlying depository receipts
- securities issued by U.S. subsidiaries/ U.S. offices of foreign-resident entities, even if traded outside of the U.S.

Key Issues/Common Reporting Errors

Securities to be **excluded** that are mistakenly included:

- all general partnership interests and similar controlling interests which constitute direct investment
- all loans, derivatives and **non-negotiable** CDs

Key Issues/Common Reporting Errors

Security IDs

- Use ISIN or CUSIP, whenever possible, even for restricted securities.
- Use SEDOL, CINS, Common or another exchange-assigned code, if necessary.
- Use your own, internal codes, only if no other code exists.
- Include leading zeroes and the check digit.

Key Issues/Common Reporting Errors

Currency of Denomination

- Do not default to the currency of the country of residence of the issuer of the security.
- Be careful, especially with legacy currencies, that the face value, remaining principal and original principal are consistent with the reported currency.

Key Issues/Common Reporting Errors

Country Attribution of Issuer

- Do not default the country code to the country component of the ISIN or CINS.

US902118AU26 was issued by Tyco International Limited which is incorporated in Bermuda.

US902120BK35 was issued by Tyco International Group S.A. which is incorporated in Luxembourg.

JP584106A526 was issued by Ford Motor Credit, which is incorporated in the U.S.

XS001087127 was issued by the Federal Home Loan Mortgage Corp, a U.S. government sponsored agency.

Key Issues/Common Reporting Errors

Country Attribution of Issuer

- Do not make assumptions for the country of residence of the issuer based on its name.

EXAMPLE

HSBC Global Investment Funds – Japanese Equity Fund is a Luxembourg security.

The fund is organized under the laws of Luxembourg, not of the UK where HSBC is headquartered and not of Japan. The fund invests in securities of companies registered in Japan and/or listed with a regulated Japanese securities exchange/market.

Key Issues/Common Reporting Errors

Country Attribution of Issuer

- Do not report securities issued by entities that are residents of Puerto Rico and other U.S. territories and possessions.
- Report foreign securities held by/for residents of Puerto Rico and other U.S. territories and possessions.

Key Issues/Common Reporting Errors

Country Attribution of Issuer

- Report securities issued by Canadian and Caribbean residents.
- Avoid the use of country code 88862 (defunct country).

(Excessive use of code 88862 will be questioned.)

Key Issues/Common Reporting Errors

Pricing

- Avoid reporting fair market value equal to zero.

If your report includes a large number of unpriced securities, your organization will be requested to obtain prices and re-file its report.

- Fair Market Value should exclude accrued interest.

Key Issues/Common Reporting Errors

Remaining Principal Outstanding for ABS

Schedule 2, line 21

- If the factor value as of 12/31 is not available, use the factor value as of the date closest to 12/31.

Key Issues/Common Reporting Errors

Schedule 1

- Lines 16 and 21: Report the number of Schedule 2s and Schedule 3s filed, not the number of securities for which data was summarized.
- Be sure to complete date signed, line 25, if you are not filing via IESUB.

Key Issues/Common Reporting Errors

Schedule 3, Line 8.

- If your organization is both the end-investor and the custodian, use code 1 end-investor
- If your organization is, or represents the end-investor (your client), and is not legally responsible for the safe-keeping of the securities, use code 1 end-investor.
- If your organization represents the end-investor and is also legally responsible for the safe-keeping of the securities, use code 2 custodian.

Key Issues/Common Reporting Errors

Other Errors

- Reporting securities when the quantity held (number of shares, face value, remaining principal) rounds to zero
- Reporting sinking fund securities as asset-backed securities
- Basing the term of a debt security on the time remaining to maturity, rather than the period between the date of issuance and the date of maturity

How We Review Your Data



Kenneth Aberbach

Four Levels of Review

- **Reporter level**
 - Analyzing your data for reasonability
 - Trend analysis from prior submission (for some it will be 2005 and for others 2001)
- **Schedule 2/3 Comparison**
 - Comparing schedule 3 data to schedule 2 data
- **Security level**
 - Comparing attributes of reported securities to one another, and to commercial data sources.
- **Macro level**
 - Additional comparisons on a broader level

FRBNY Calculations



- Based on reported market value and quantity fields, FRBNY calculates:
 - **Exchange Rates**
 - **Implicit Prices**
 - **Factor Values**
- These calculations assist us in determining the quality of your reported market values and quantities.

FRBNY Calculations

- Calculated data
 - Implicit exchange rates
 - US MV/ FC MV
 - Implicit prices (MV/Quantity)
 - Equity – US MV/Number of Shares
 - Non ABS Debt – FC MV/Face Value
 - ABS Debt – FC MV/Remaining Principal
 - Implicit factor values
 - Remaining Principal/Original Face Value

Reporter Level Review



Reasonability Comparisons

- Schedule 1 vs. schedule 2 comparison
- Schedules 1, 2 & 3 comparison to prior submission (reporting trends based in part on the TIC S data)
- Ownership code
- Market values
- Face values
- Number of shares

Reporter Level Review

Reasonability Analysis

- Ensuring all schedule 2 data was reported, to include:
 - Security IDs
 - Security Type
 - Ownership code
 - Number of shares held
 - Face Value held
 - Remaining principal (ABS)

Reporter Level Review

Reasonability

- Currency/Exchange Rate Analysis
 - Currency is US\$ but US market value (item 14a) does not equal the market value in the currency of denomination (item 14b).
 - Currency is not US\$ and the exchange rate is not 1, but the US\$ market value equals the market value in the currency of denomination.
 - For each security, an implicit exchange rate is calculated, which should be equal to the December 31 exchange rate for the currency.

Reporter Level Review

Reasonability

➤ Country of Issuer

- Are increases/decreases in specific countries reasonable?
- Are the increases/decrease due to changes in the quantity, changes in price or new/matured securities?
- Are securities being reported as being issued from countries that had no data at all in the prior year?
- Look at equity, long term debt and short term debt separately.

Reporter Level Review

Reasonability

- Country of Issuer
- Country of Issuer is U.S.
 - Are these coded incorrectly or should these have been excluded from your report?
 - Are securities issued by international and regional organizations miscoded, and reported with the U.S. as the country of issuer?
 - Are securities issued by a U.S. protectorate (Puerto Rico, etc.)? If so, exclude from report.

Reporter Level Review



Reasonability

- Depository Receipts (DRs)
- Comparison of the reported market value and proportion of DRs relative to total equity
 - Did you report any DRs?
 - Did you previously? If so, is the proportion to total equity similar to previous submissions.

Reporter Level Review

Reasonability

➤ Ownership Code Analysis

- Have the market values and proportions of the total market value of securities reported as owner and as custodian, changed substantially?
- Clarification of option 6 – “Unknown”.
- Are you reporting any securities as owner? If so, it may correlate to your organization’s TIC S reporting.

Reporter Level Review

Reasonability

- Key Securities Analysis
 - Largest securities by market value
 - Implicit exchange rates, implicit prices, country of issuer, etc.
 - Securities reported multiple times with exact amounts.
 - Common foreign securities reported by those in your peer group.
 - Any one security that makes up a very high percentage of the data for a specific security type.

Reporter Level Review



Reasonability

- Securities reported with zero quantities
 - If reported correctly, these securities do not need to be reported, and should be excluded from future reports.
 - Possibility that the quantity was reported in the wrong field. (example a security coded as debt but had the quantity reported in the number of shares field).

Reporter Level Review



Reasonability

- Consistency of data reported, throughout the reporter's submission
 - Example: You report data for Stock A with two different implicit prices, which is correct?
 - Unit 1 reported with calculated price of \$30.00
 - Unit 2 reported with calculated price of \$60.00

Reporter Level Review

Reasonability

➤ Reporter Queries

We focus on areas that were reporting problems in prior data submissions, such as:

- keywords in descriptions, such as rights, warrants, repurchase, repo, etc.
- debt prices far above par
- issue dates after as-of date
- additional comparisons to other reporters' data

Schedule 2/3 Review



Σ (Market Values
by security type,
from Schedule 2s
and 3s) reported by
each custodian

> =

Σ (Market values
attributed to each
custodian on Schedule
3) reported by its
customers.

Security Level Review



- We'll compare attributes of the securities between all reporters to check for inconsistencies.
- We'll look at actual reported fields and also at other data items we calculate based on reported fields.

Security Level Review

Search for Reincorporated Organizations

- Entities that were formerly incorporated in the United States but are now incorporated elsewhere.

Security Level Review

- Data embedded in the security description, e.g., security type or maturity date, are compared to data in the relevant fields.
- Issuer should not be a U.S. resident.
- Total amount held reported across all reporters is compared to the total amount outstanding for a given security.

Macro Level Review

Comparisons of various “cuts” of the aggregate data.

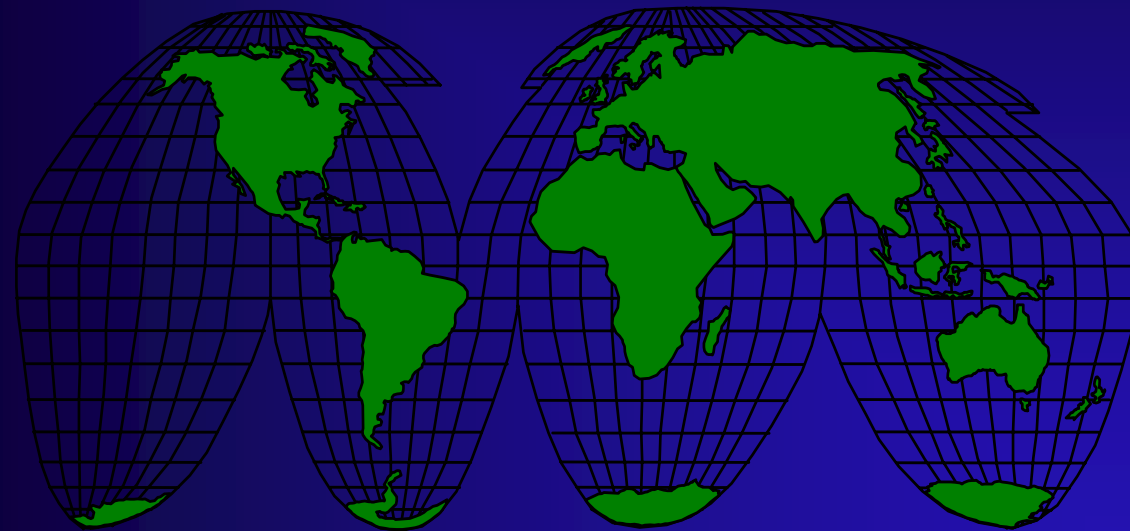
- Equity by country and security type
- Long-term debt by country and currency
- Short-term debt by country and currency
- Long-term debt by country and type of security
- Short-term debt by country and type of security

Macro Level Review

Comparisons of various “cuts” of the aggregate data

- DRs by country
- Debt by maturity date
- Debt by coupon
- Published data can be found at:
<http://www.ustreas.gov/tic/>

**Analysis of the TIC SHC report
in conjunction with the TIC S & TIC B
reports**



Reports Used for Comparison

- U.S. Ownership of Foreign Securities (TIC SHC or Claims)
- TIC S Report

<http://www.ustreas.gov/tic/>

How TIC S and TIC SHC are used together



- Totals from prior year SHC(A) data
- Add in net sales by foreigners of foreign securities for the year (column 10 - column 9 for LT debt and column 12 - column 11 for equity from the TIC S report)
- Add in a price adjustment
- Add in stock swap adjustment
- Total is estimate of the current year SHC(A) total

Reports Used for Comparison

- U.S. Ownership of Foreign Securities (TIC SHC or Claims)
- Other TIC Reports
 - TIC BQ-1 Customer Claims
 - TIC BQ-2 Customer and own claims denominated in foreign currency
 - TIC BC Own Claims

<http://www.ustreas.gov/tic/>

Differences

- ▶ TIC B - Face Value
 - ▶ TIC SHC - Face Value and Market Value
- ▶ TIC B - Aggregate per country
 - ▶ TIC SHC - Detailed information on each security
- ▶ TIC B - USD or USD equivalent
 - ▶ TIC SHC - Market Value in both USD and currency of denomination. Face value in currency of denomination that FRBNY converts to USD.

Differences

- There may be more than one TIC B report filed per institution.
- One consolidated TIC SHC report filed per institution
 - For example: A U.S. entity sends in separate TIC B reports for the Bank Holding Company, Bank, and Broker Dealer but would send in one consolidated TIC SHC report.

Differences



- There are instances when securities held in custody are given over to other U.S based sub-custodians.
- The custodian closest to the foreign claimant would report on the TIC B reports but the sub-custodian (final custodian in the chain) would report on the TIC SHC.

Compare - Overview

- Negotiable certificates of deposit
- Commercial Paper
- Other short-term negotiable securities
- Foreign currencies

Compare - Overview



- Securities held in custody
- Securities owned by the reporter

Compare Negotiable CDs in USD Held in Custody



- **TIC SHC (per country)** = ➤ **TIC BQ-1 (per country)**
- Security Type 6 (item 7)
 - Term Indicator – 1 or 2 (item 10)
 - Currency = USD (item 12)
 - Ownership code 2-6 (item 13)
 - Sum of face value (item 17)
- Negotiable CDs (column 2)

Compare

Other Short -Term Negotiable Securities in USD Held in Custody

➤ **TIC SHC (per country)**

- Security Types 5,7,8,9 and 10 (item 7)
- Term Indicator 1 (item 10)
- Currency = USD (item 12)
- Ownership code 2-6 (item 13)
- Sum of face value (item 17 but use item 21 for ABS)

=

➤ **TIC BQ-1 (per country)**

- All Short-Term Negotiable Securities (column 3)

Compare

Commercial Paper in USD Held in Custody Memo Item

- **TIC SHC** = ➤ **TIC BQ-1**
- Security Type 5 (Item 7)
 - Term Indicator 1 (item 10)
 - Currency = USD (Item 12)
 - Ownership code 2-6 (item 13)
 - Sum of face value (Item 17)
- Commercial Paper (memo line 8161-2, column 3)

Compare

Own Short-Term Securities in USD

- **TIC SHC (per country)** = ➤ **TIC BC (per country)**
- Security Type 5-10 (Item 7)
 - Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
 - Currency = USD (Item 12)
 - Ownership code 1 (item 13)
 - Sum of face value (Item 17,
but use item 21 for ABS)
- Negotiable CDs and All Short
Term Negotiable Securities
(column 2 + column 4)

Compare

Own Negotiable CDs in USD Memo Item



➤ TIC SHC

=

➤ TIC BC

- Security Type 6 (Item 7)
- Currency = USD (Item 12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17)

- Negotiable CDs (row line 8110-8, column 2)

Compare

Own Negotiable CDs not in USD Memo Item

➤ TIC SHC

- Security Type 6 (Item 7)
- Term Indicator – 1 or 2 (item 10)
- Currency **not** = USD (Item 12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17)

=

➤ TIC BQ-2

- Negotiable CDs (row line 8110-8, column 4)

Compare

Negotiable CDs not in USD Held in Custody Memo Item

➤ TIC SHC

- Security Type 6 (Item 7)
- Term Indicator – 1 or 2 (item 10)
- Currency **not** = USD (Item 12)
- Ownership code 2-6 (item 13)
- Sum of face value (Item 17)

=

➤ TIC BQ-2

- Other Customers' Claims
(memo line 8110-8 column 6)

Compare

Own Other Short-Term Negotiable Securities not in USD Memo Item

➤ TIC SHC

- Security Type 5,7,8,9 and 10 (item 7)
- Term Indicator 1 (item 10)
- Currency **not** = USD (item 12)
- Ownership code 1 (item 13)
- Sum of face value (item 17)

=

➤ TIC BQ-2

- Short-Term Negotiable Securities (memo line 8120-5, column 4)

Compare

Other Short-Term Negotiable Securities not in USD Held in Custody Memo Item



➤ TIC SHC

=

➤ TIC BQ-2

- Security Type 5,7,8,9 and 10 (item 7)
- Term Indicator 1 (item 10)
- Currency **not** = USD (item 12)
- Ownership code 2-6 (item 13)
- Sum of face value (item 17 but use item 21 for ABS)

- Short-Term Negotiable Securities (memo line 8120-5, column 6)

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = CAD (Canadian
Dollar, Item 12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Canadian
Dollars (memo line 8500-1,
column 4)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = EUR (Euros,
Item 12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17
but use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Euros
(memo line 8500-2, column
4)
- Note: Short-term securities
are just one of many items
that can be reported in this
column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = GBP (Sterling,
Item 12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Sterling
(memo line 8500-3, column 4)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = JPY (Yen, Item
12)
- Ownership code 1 (item 13)
- Sum of face value (Item 17
but use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Yen
(memo line 8500-4, column
4)
- Note: Short-term securities
are just one of many items
that can be reported in this
column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = CAD (Canadian
Dollar, Item 12)
- Ownership code 2-6 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Canadian
Dollars (memo line 8500-1,
column 6)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = EUR (Euros, Item
12)
- Ownership code 2-6 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Euros (memo
line 8500-2, column 6)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = GBP (Sterling,
Item 12)
- Ownership code 2-6 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Sterling
(memo line 8500-3, column 6)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Compare

Data by currency

➤ TIC SHC

- Security Type 5-10 (Item 7)
- Term Indicator = 1 (Item 10)
(Security Type 6 includes
Term Indicator = 2)
- Currency = JPY (Yen, Item
12)
- Ownership code 2-6 (item 13)
- Sum of face value (Item 17 but
use 21 for ABS)

< =

➤ TIC BQ-2

- Denominated in Yen (memo
line 8500-4, column 6)
- Note: Short-term securities are
just one of many items that can
be reported in this column.

Technical Topics

Submitting your Data



Sharon McKenzie

Technical Topics: Options for Filing

<u>Mail</u>		<u>Internet</u>
<u>On Paper:</u> <ul style="list-style-type: none">➤ Schedule 1➤ Schedule 2➤ Only if less than 200 records➤ Schedule 3	<u>On Media:</u> <ul style="list-style-type: none">➤ Schedule 2➤ No minimum record requirement	<u>Via IESUB:</u> <ul style="list-style-type: none">➤ Schedule 1➤ Schedule 2➤ No minimum record requirement➤ Only available to reporters that are submitting <u>both</u> Schedules 1 & 2

Technical Topics:

Media Requirements for Schedule 2 Data



- Standard Windows PC ASCII Text Files
With a .txt extension
- Labeled With Reporter Name & ID

Technical Topics:

Unacceptable Media & File Formats

- Unacceptable Media
 - IBM Mainframe Tapes/Cartridges - 3480/3490
 - Round (Reel) Tapes
- Unacceptable File Formats
 - EBCDIC Files
 - Compressed Files
 - Excel files (.xls)
 - COBOL packed decimal fields

Technical Topics:

IESUB General Information

IESUB - Internet Electronic SUBmission

Data Submission

Schedule 1

- Data Entry Form
- Initial and Revised Data

Schedule 2

- File Transfer
- Initial and Revised Data
- Standard Windows PC ASCII Text Files With a .txt extension

Note: Schedule 3 reports are not available online, the report must be submitted on paper.

Technical Topics:

IESUB General Information (continued)



- Data Review
- Data Validation
- Receipt
- Feedback

Technical Topics: IESUB Security Information



- Unique User-ID and Password
- 128 Bit SSL Encryption
- Server-side Certificate

Technical Topics:

IESUB Additional Information



- User Request Forms and System Requirements can be found on the Internet at:

<https://www.newyorkfed.org/registration/stats/shca/form.cfm>

Technical Topics:

Schedule 2 File Formats

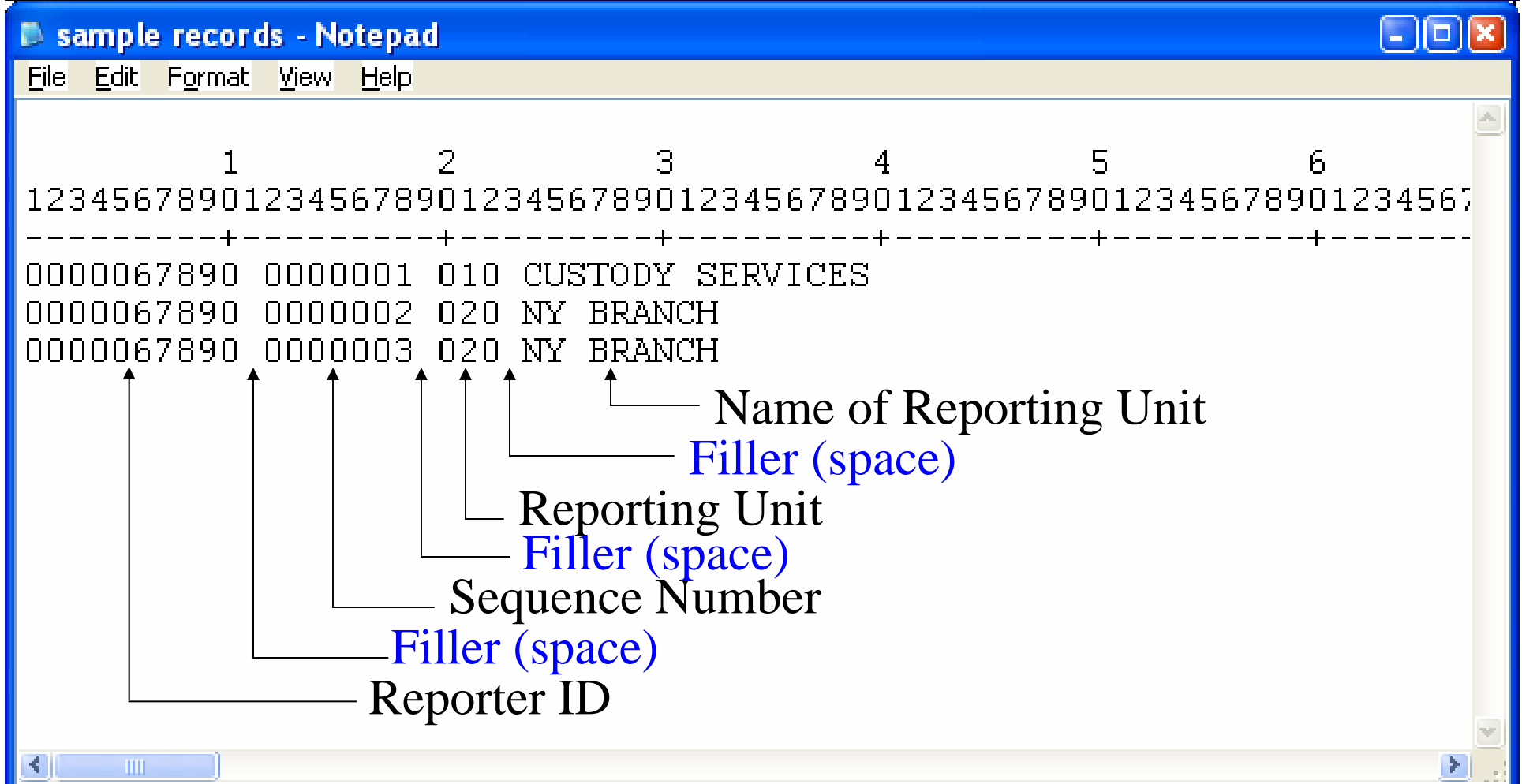


Use Either of Two File Formats for IESUB
or Media Submission:

- Positional
- Semi-colon Delimited

Technical Topics

Correct Positional File Example



The image shows a Notepad window titled "sample records - Notepad". The window contains a positional file with three records. The records are displayed in a grid with columns numbered 1 through 6. A dashed line separates the header from the data. Annotations with arrows point to specific fields in the first record, identifying their components.

1	2	3	4	5	6
1234567890	1234567890	1234567890	1234567890	1234567890	1234567890
-----+-----+-----+-----+-----+-----+-----					
0000067890	0000001	010	CUSTODY SERVICES		
0000067890	0000002	020	NY BRANCH		
0000067890	0000003	020	NY BRANCH		

Annotations for the first record:

- Reporter ID (points to the first 10 characters: 0000067890)
- Filler (space) (points to the first space character)
- Sequence Number (points to the digit 1)
- Filler (space) (points to the space between 010 and CUSTODY)
- Reporting Unit (points to the digit 010)
- Filler (space) (points to the space between 020 and NY)
- Name of Reporting Unit (points to the text CUSTODY SERVICES)

Technical Topics

Correct Positional File Example (continued)

The screenshot shows a Notepad window titled "sample records.txt - Notepad". The window contains a positional file with the following content:

```
      4          4          4          4          4          4
      0          1          2          3          4          5
567890123456789012345678901234567890123456789012345678901234
-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+
000000032538      000008000000      000046000000  04102001  04102007
000047897500      000023000000  11022005  11022019
000021850000
```

Annotations in the image include:

- Arrows pointing to the first three columns of the first data row, labeled "Filler (space)".
- An arrow pointing to the "000008000000" field, labeled "Number of Shares Held".
- An arrow pointing to the "000046000000" field, labeled "Face Value (Non-ABS)".
- An arrow pointing to the "000023000000" field, labeled "Debt Only - NULL".
- An oval around the "000046000000" field.

Technical Topics

Correct Positional File Example (continued)

The screenshot shows a Notepad window titled "sample records.txt - Notepad". The window contains a positional file with the following content:

```
File Edit Format View Help
      4      4      4      4      4      4      4
      0      1      2      3      4      5
567890123456789012345678901234567890123456789012345678901234
-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+
000000032538      000000000000
000047897500      000046000000 04102001 04102007
000021850000      000023000000 11022005 11022019
                                     Maturity
                                     Date
                                     Filler (space)
                                     Issue Date
                                     Filler (space)
                                     Face Value (Non-ABS) Debt Only
                                     Filler (space)
                                     Number of Shares Held -NULL
                                     Filler (space)
```

The annotations in the image are as follows:

- Three vertical arrows point to the first three characters of the first line of data, labeled "Filler (space)".
- A horizontal oval highlights the eight zeros in the second line of data, labeled "Filler (space)".
- Vertical arrows point from the labels "Face Value (Non-ABS) Debt Only", "Issue Date", "Maturity", and "Date" to their respective fields in the second and third lines of data.
- Vertical arrows point from the labels "Filler (space)" to the spaces between the fields in the second and third lines of data.
- A vertical arrow points from the label "Number of Shares Held -NULL" to the field "000023000000" in the third line of data.
- A vertical arrow points from the label "Filler (space)" to the space between the field "000023000000" and the field "11022005" in the third line of data.

Technical Topics

Incorrect Positional File Example

```
sample records - Notepad
File Edit Format View Help

      1      2      3      4      5      6      7
123456789012345678901234567890123456789012345678901234567890123456
-----+-----+-----+-----+-----+-----+-----+-----+-----
0000067890 0000001 010 CUSTODY SERVICES
0000067890 0000002 020  NY BRANCH
0000067890 0000003 020  NY BRANCH
```

Reporting Unit Description
field begins in the incorrect
position, 26. The correct
position is 24.

Technical Topics

Correct Delimited File Example

```
sample records - Notepad
File Edit Format View Help
0000012345;0000001;001;ACCOUNTING SYSTEMS;ANN2879J1070;LMA INTERNAT
0000012345;0000002;001;ACCOUNTING SYSTEMS;CH0004704588;SWITZERLAND
0000012345;0000003;002;CUSTODY SERVICES;MXP810081010;WAL-MART DE ME
```

Reporter ID

Delimiter

Sequence Number

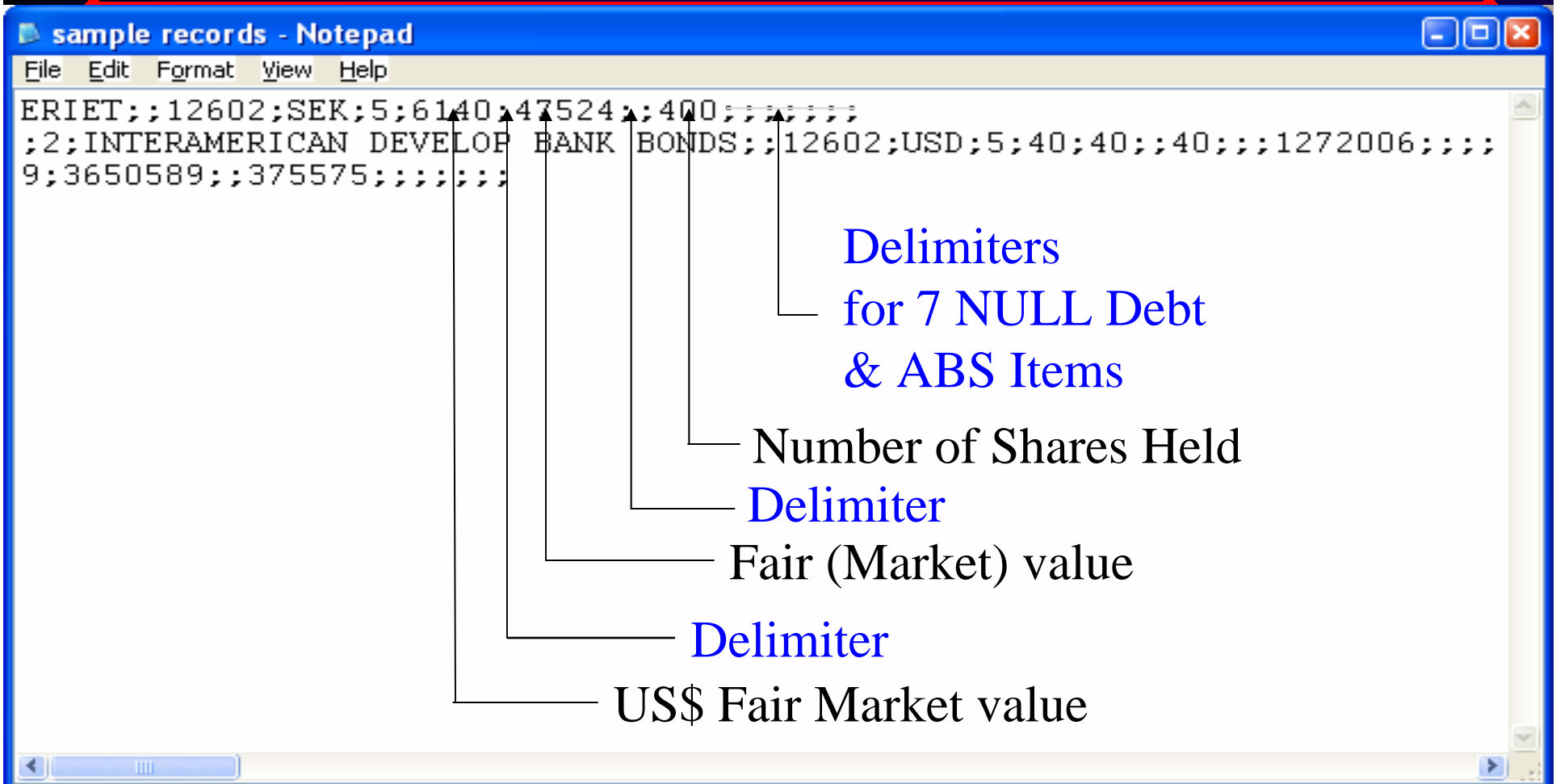
Reporting Unit

Delimiter

Name of Reporting Unit

Technical Topics

Correct Delimited File Example (continued)



The screenshot shows a Notepad window titled "sample records - Notepad" with a menu bar (File, Edit, Format, View, Help). The text content is as follows:

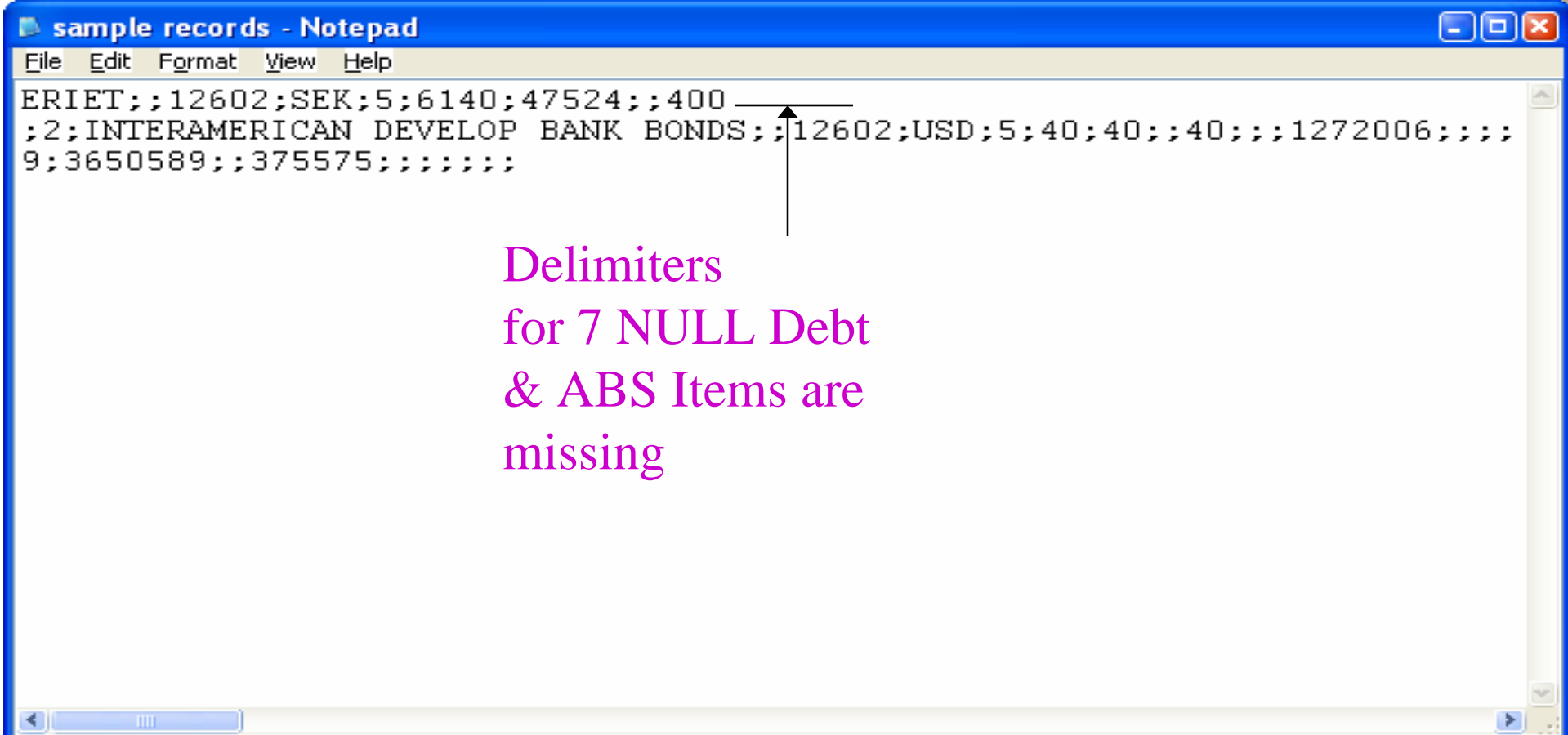
```
ERIET;;12602;SEK;5;6140;47524;;400;:::;;  
;2;INTERAMERICAN DEVELOP BANK BONDS;;12602;USD;5;40;40;;40;;;1272006;::;  
9;3650589;;375575;:::;;
```

Annotations with arrows point to specific parts of the text:

- Delimiters for 7 NULL Debt & ABS Items**: Points to the first semicolon after "ERIET".
- Number of Shares Held**: Points to the value "400".
- Delimiter**: Points to the semicolon before "400".
- Fair (Market) value**: Points to the value "47524".
- Delimiter**: Points to the semicolon before "47524".
- US\$ Fair Market value**: Points to the value "3650589".

Technical Topics

Incorrect Delimited File Example

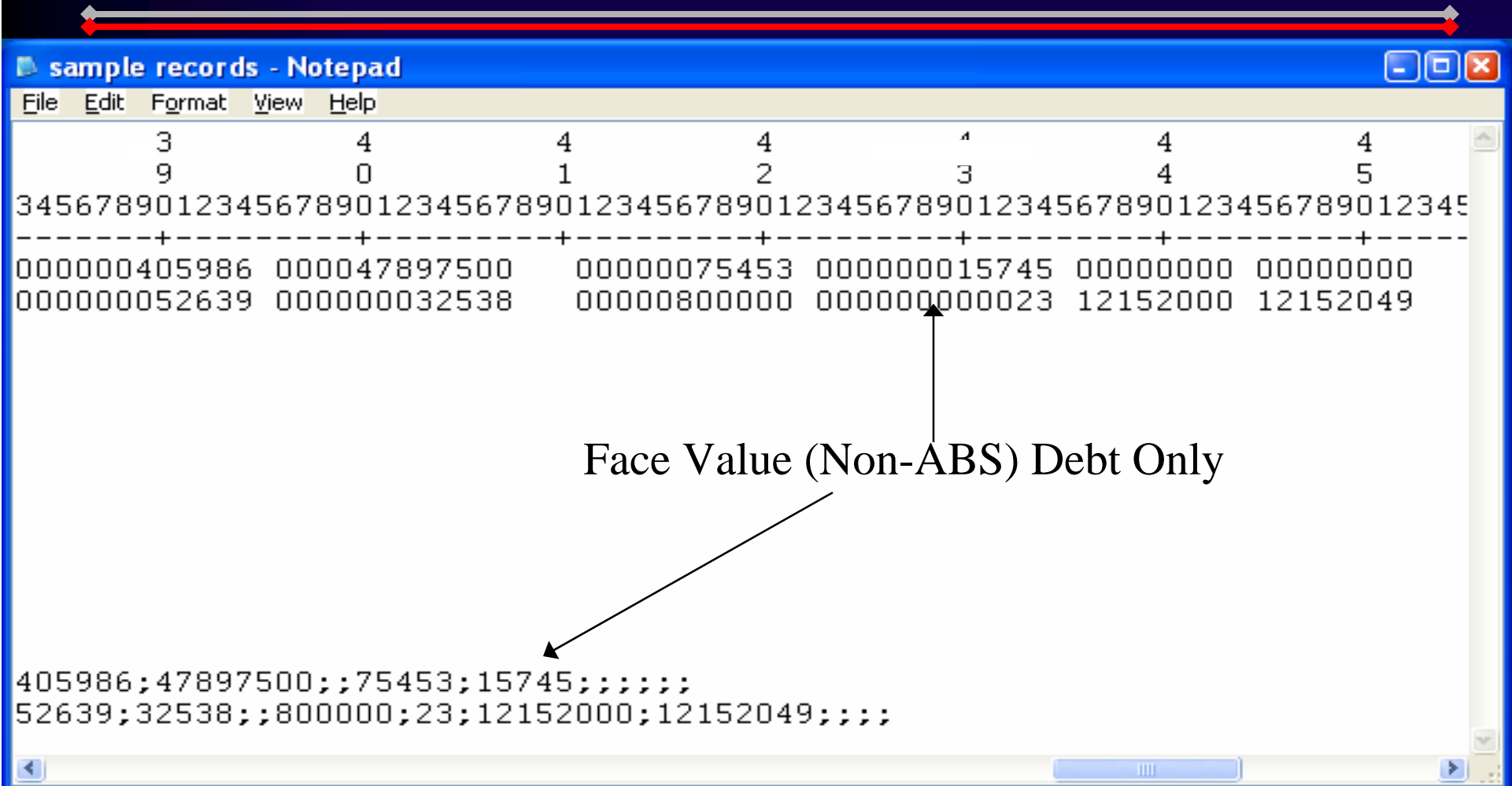


```
sample records - Notepad
File Edit Format View Help
ERIET;;12602;SEK;5;6140;47524;;400
;2;INTERAMERICAN DEVELOP BANK BONDS;;12602;USD;5;40;40;;40;;;1272006;;;
9;3650589;;375575;;;;;
```

Delimiters
for 7 NULL Debt
& ABS Items are
missing

Technical Topics

Positional & Delimited Files Example



The screenshot shows a Notepad window titled "sample records - Notepad". The window contains two representations of the same data: a positional file and a delimited file. The positional file is a fixed-width text file where each field is a specific number of characters long. The delimited file uses semicolons to separate the same fields. An arrow points from the text "Face Value (Non-ABS) Debt Only" to the 15th field of the delimited file, which is "15745".

```
sample records - Notepad
File Edit Format View Help
  3      4      4      4      4      4      4
  9      0      1      2      3      4      5
345678901234567890123456789012345678901234567890123456789012345
-----+-----+-----+-----+-----+-----+-----+-----+
000000405986 000047897500 00000075453 000000015745 00000000 00000000
0000000052639 0000000032538 00000800000 0000000000023 12152000 12152049

405986;47897500;;75453;15745;;;;;
52639;32538;;800000;23;12152000;12152049;;;;;
```

Face Value (Non-ABS) Debt Only

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Tips & Traps

- Date Format
 - Correct format MMDDYYYY. For example, the date May 3, 2006 would be reported as 05032006
 - Examples of incorrect date formats MM/DD/YY, MM/DD/YYYY, MM-DD-YY, etc.
- Need to Have Leading Zeroes
 - Reporter ID
 - Date Fields

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Tips & Traps

- Illegal Characters in the File, such as □
- An extended list of tips & traps can be found on the Internet at:

<https://www.newyorkfed.org/registration/stats/shca/form.cfm>,
the document is titled “Key Issues for SHC
Software Developers”

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Contact Information

- If you have questions about IESUB call your SRD contact at the Federal Reserve Bank of New York or call the SHC Hotline at (212)720-6300
- If you have questions about the file format call one of the people listed below

IT Support Analyst

Melissa Harris	(212) 720-7314
Amador Castelo	(212) 720-8592
Sharon McKenzie	(212) 720-8166