



FEDERAL RESERVE BANK *of* NEW YORK

TIC and TFC Reporting Seminar

Wednesday, August 2, 2017



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Overview of TIC and TFC Reporting

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Financial Flows Division
August 2, 2017

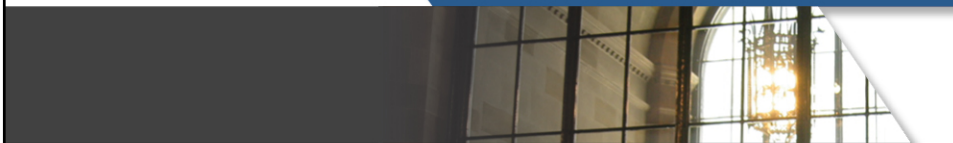
Overview of TIC and TFC Reporting

- Overview of TIC System
- Data Review
- Collection and Publication



Overview of TIC System

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Overview of TIC System

Treasury International Capital (TIC)

- The reporting system collects data for the United States on cross-border portfolio investment flows and positions between U.S. and foreign residents.
 - U.S. Balance of Payments Accounts
 - U.S. International Investment Position
 - Formulation of International Monetary and Financial Policy
 - Track developments in International Markets



Overview of TIC System

- U.S Treasury retains administrative control/oversight of TIC system.
- Federal Reserve Board has oversight.
- Cross-border transaction and holdings not captured by the TIC reports.
 - Direct investments
 - U.S Government cross-border capital transactions
- Additional information about the TIC System, reporting guidance, FAQs are available on the Treasury TIC website
 - <https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/index.aspx>



Data Review

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Data Review

All submission are reviewed by analysts in the Federal Reserve System.

- Ensure data quality
- Analyze trends among reporters
- Summarize aggregate market trends
 - Monitor cross border capital flows

Analysis and Questions

- Focus on period over period change, but with understanding of longer historical trends.



Data Review

Analysis and Questions

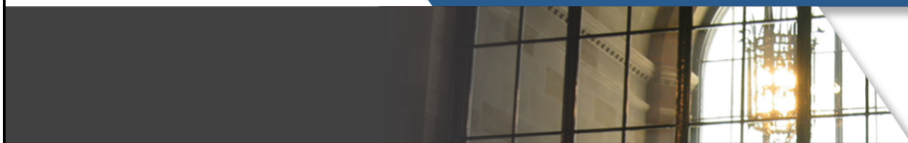
- Requires detailed variance information on counterparty sector information as well as instrument type.
 - Specify counterparty, hedge fund, broker dealer, insurance company, banks, central banks, non-financial corporations,
 - Type of deposit, time deposit or demand deposit
 - Considerable size and scope within short time frame.

- Reporters must provide response in a timely manner.



Collection and Publication

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Collection and Publication

TIC B Forms: Data Collected and Frequency					
Form	Data Collected From U.S. Resident Financial Institutions	Currency Denomination	Own or Customer	Claims/Liabilities	Frequency
BC	Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents	USD	Own	Claims	Monthly
BL-1	Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents	USD	Own	Liabilities	Monthly
BL-2	Report of Customers' U.S. Dollar Liabilities to Foreign Residents	USD	Customer	Liabilities	Monthly
BQ-1	Report of Customers' U.S. Dollar Claims on Foreign Residents	USD	Customer	Claims	Quarterly
BQ-2	Part 1: Report of Foreign Currency Liabilities and Claims of Financial Institutions And of their Domestic Customers' Foreign Currency Claims with Foreign Residents Part 2: Report of Customers' Foreign Currency Liabilities to Foreign Residents.	Foreign	Own/ Customer	Claims/ Liabilities	Quarterly
BQ-3	Report of Maturities of Selected Liabilities and Claims of Financial Institutions with Foreign Residents	USD/Foreign	Own	Claims/ Liabilities	Quarterly

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Collection and Publication

TIC and TFC Forms: Data Collected and Frequency					
Form	Data Collected From U.S. Resident Financial Institutions	Currency Denomination	Own or Customer	Claims/Liabilities	Frequency
CQ-1	Report of Financial Liabilities to, and Financial Claims on, Unaffiliated Foreign Residents	USD/Foreign	Own	Claims/ Liabilities	Quarterly
CQ-2	Report of Commercial Liabilities to, and Commercial Claims on, Unaffiliated Foreign Residents	USD/Foreign	Own	Claims/ Liabilities	Quarterly
D	Report of Holdings of, and Transactions in, Derivatives Contracts with Foreign Residents Part I: By Major Risk Category and Instrument Type Part II: By Counterpart Country	USD/Foreign	Own/ Customer	N/A	Quarterly
TFC-1	Weekly Consolidated Foreign Currency Report of Major Market Participants	USD/Foreign	Own	N/A	Weekly
TFC-2	Monthly Consolidated Foreign Currency Report of Major Market Participants	USD/Foreign	Own	N/A	Monthly
TFC-3	Quarterly Consolidated Foreign Currency Report	USD/Foreign	Own	N/A	Quarterly

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Collection and Publication

Method of Submission

- Reporting Central – Electronic submission
- Fax
- Hand-delivered
- Mail

Report Record Retention

- Reports must be retained for 3 years from the date of submission



Collection and Publication

▪ Bureau of Economic Analysis (BEA)

- <http://www.bea.gov/international/index.htm#iip>

▪ Treasury TIC website – Monthly, Quarterly & Annually

- <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticpress.aspx#1>

▪ Quarterly Treasury Bulletin (Includes TFC)

- https://www.fiscal.treasury.gov/fsreports/rpt/treasBulletin/treasBulletin_home.htm



Collection and Publication

- **BIS Locational Data**
 - <http://www.bis.org/statistics/bankstats.htm>

- **IMF's Special Data Dissemination Standard (SDDS)**
 - <http://dsbb.imf.org/pages/sdds/home.aspx>

- **World Bank Quarterly External Debt Statistics**
 - <http://datatopics.worldbank.org/debt/>



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Collection and Publication

Bureau of Economic Analysis

Table 1.2. U.S. Net International Investment Position at the End of the Period, Expanded Detail

[Millions of dollars] NOTE: End of quarter positions begin in the fourth quarter of 2005.

Release Date: June 28, 2017 - Next Release Date: September 27, 2017

Line	Type of investment	Not	Not	Not	Not	Not
		seasonally	seasonally	seasonally	seasonally	seasonally
		adjusted	adjusted	adjusted	adjusted	adjusted
		2016	2016	2016	2016	2017
		I	II	III	IV	I
1	U.S. net international investment position (line 4 less line 35)	-7,833,442	-8,292,111	-8,035,870	-8,318,378	-8,217,356
2	Net international investment position excluding financial derivatives (line 5 less line 36)	-7,871,131	-8,347,928	-8,089,513	-8,379,684	-8,258,994
3	Financial derivatives other than reserves, net (line 6 less line 37)	37,689	55,817	53,643	61,306	41,638
4	U.S. assets	24,090,435	24,558,443	24,839,298	23,849,445	24,833,233
5	Assets excluding financial derivatives (sum of lines 7, 10, 21, and 26)	21,050,645	21,262,311	22,066,301	21,640,465	22,886,518
6	Financial derivatives other than reserves, gross positive fair value (line 15)	3,039,790	3,296,132	2,772,997	2,208,980	1,946,715
	By functional category:					
7	Direct investment at market value	7,036,100	7,002,388	7,392,178	7,375,049	7,843,648
8	Equity	5,818,943	5,779,850	6,146,680	6,172,334	6,604,342
9	Debt instruments	1,217,157	1,222,538	1,245,498	1,202,715	1,239,306
10	Portfolio investment	9,560,289	9,655,427	10,084,690	9,879,246	10,570,195
11	Equity and investment fund shares	6,665,318	6,723,558	7,144,845	6,997,004	7,557,970



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Uses of Treasury International Capital (TIC) Data

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Division of International Finance, Federal Reserve Board of Governors
August 2, 2017



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TIC System Overview

- What is the TIC data system?
 - Comprehensive effort to collect cross-border financial data
 - Cross-border
 - U.S. liabilities (U.S. financial assets held by foreigners)
 - U.S. claims (foreign assets held by U.S. residents)
 - Financial
 - Bank and nonbank loans, deposits, and other
 - Derivatives positions and transactions
 - **Securities (bonds and stock) positions and transactions**

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How are TIC Data Used?

- Published monthly / quarterly / annually on Treasury's TIC website
- Important inputs to
 - BEA's balance of payments (BOP) and international investment position (IIP)
 - Federal Reserve Board's Flow of Funds (Z.1)
 - IMF's Coordinated Portfolio Investment Survey
- Data are watched closely by market and policy analysts

Examples: TIC in the news

Reuters, July 18

UPDATE 1-Japan purchases U.S. Treasuries again in May

* China's U.S. bond holdings rise in line with currency reserves

* Foreigners buy most Treasuries in nearly two years (Recasts, adds details on latest data)

July 18 (Reuters) - Japan resumed purchases of U.S. Treasuries in May, retaining its status as United States' largest creditor, while China raised its stakes in U.S. government debt for a fourth straight month, U.S. Treasury Department data showed on Tuesday.

Japan's holding of Treasuries grew to \$1.111 trillion in May from \$1.107 trillion in April. In March, Japan's holdings totaled \$1.121 trillion.

China's stake in U.S. government securities increased to \$1.102 trillion, the second most behind Japan, from \$1.092 trillion in April.

China's higher Treasuries holdings was in step with its rising foreign exchange reserves in the wake of tighter capital controls and a weaker dollar.

Overall, foreign investors bought \$46.37 billion in Treasuries, which was the most since June 2015 when they bought \$72.01 billion. In April, they sold \$22.53 billion in U.S. government debt.

Meanwhile, foreign private investors and government authorities bought the most long-term U.S. securities in 10 months in May as the Dow Jones Industrials and S&P 500 posted gains and benchmark Treasury yields fell for a second straight month.

Offshore investors purchased \$91.9 billion in long-term U.S. assets in May, more than the revised \$9.7 billion they bought the previous month. May's amount was the highest since the \$95.1 billion they bought in July 2016.

They were net buyers of U.S. assets with the inclusion of shorter-dated securities, totaling \$57.3 billion in May, less than the revised \$74.4 billion in April. (Reporting by Richard Leong, Editing by Meredith Mazzilli and Leslie Adler)

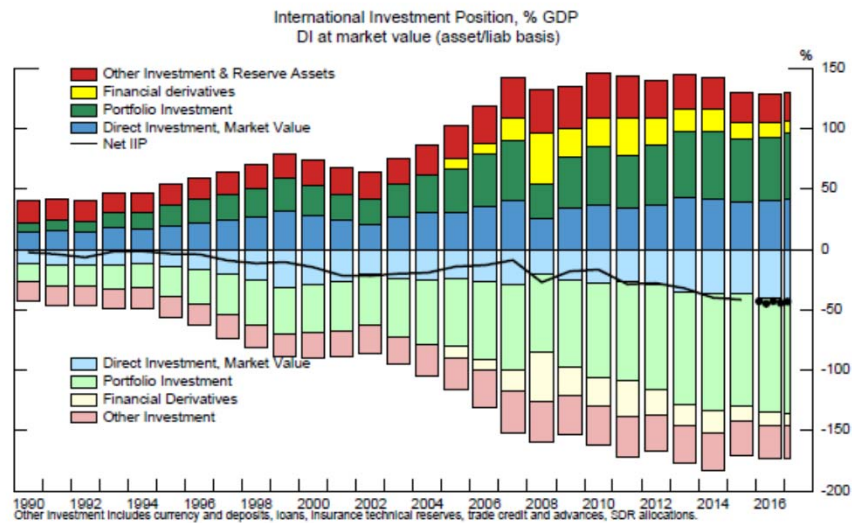
Publication by BEA for Official International Transactions Accounts

- Quarterly Balance of Payments (BOP) statistics
 - Current account: broadest measure of cross-border transactions: trade flows plus transfers and remittances, and investment income
 - TIC data used for estimates of fees and commissions on cross-border securities transactions
 - Interest and dividend payments on foreign holdings of US assets and interest and dividend receipts on US holdings of foreign assets
 - Financial Account
 - Financial flows that provide financing of the current account
- Quarterly International Investment Position (IIP)—used to be only annual
 - How large is stock of US holdings of foreign assets relative to foreign holdings of US assets?

US International Investment Position (IIP)

- Categories are
 - DI (blue)-from BEA
 - Portfolio investment (green): TIC securities and banking data
 - Derivatives (yellow): TIC
 - Other and reserve assets: Various sources
- Net IIP (black line)
 - Net IIP is negative: US liabilities (below Y axis) exceed US assets
 - In other words, rest of world is lending to US
 - This gap narrowed a bit after the 2008 crisis but is now widening again

U.S. Net International Investment Position (IIP), 1990-2017Q1



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Question from TIC and Related Data: Is Current Account and NIIP Deficit Sustainable?

- Interest rates have started to rise
 - Stock of debt owed to foreigners is large enough to generate growing net interest payments on debt securities.
 - Liabilities to foreigners will grow as a share of GDP (unsustainable in the long run) unless dollar depreciates
 - But how and when the balance changes will depend in part on the composition of U.S. claims on and liabilities to foreigners.

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Example: Who Holds Treasuries, and Implications for Treasury Yields as Fed Normalizes”

- During “quantitative easing”, Fed bought Treasuries
 - Treasury purchases lowered supply, so increased price, which lowers rates
 - Foreign investors’ holdings and purchases were also strong, amplifying the effect
- Foreign holdings of Treasuries are about \$6 trillion, or a little less than half of the stock of marketable Treasury debt outstanding (about \$14 trillion)
- China and Japan are the largest foreign holders, with just over \$1 trillion each

Looking Forward

- If foreign investors move away from Treasuries as the Fed is raising rates and [possibly] reducing its portfolio, rates could rise faster
- Policymakers watch the TIC data, as well as market movements, to gauge impact

Another Use of TIC Data: Federal Reserve Flow of Funds Accounts (Z.1)

- Flow of Funds gives comprehensive accounting of
 - Quarterly financial asset and liability positions
 - Quarterly changes in positions (flows)
 - For sectors of the U.S. economy to measure financial “wealth” of the United States

- Balance of Payments and International Investment position data are source of Flow of Funds “Rest of the World” sector.

Flow of Funds Accounts (cont'd)

- Flow of Funds wealth of the U.S. household sector is derived by residual:
 - For example, Flow of Funds has measure of total U.S. Stock market capitalization
 - Minus estimate of U.S. stocks held by U.S. financial and nonfinancial corporations
 - Minus U.S. stocks held by foreigners (based on annual survey of foreign holdings US securities + monthly estimates **based on TIC S & SLT**)
 - = U.S. stocks held by U.S. households
 - + estimate of portion of foreign stocks held by U.S. households (**annual claims survey and monthly estimates based on TIC S & SLT**)
 - = U.S. household wealth in the form of stocks

Flow of Funds Accounts (cont'd)

- U.S. household wealth is an important determinant of U.S. household spending
 - Some estimates suggest that \$1 increase in financial wealth leads to roughly \$.06 increase in spending
 - Aggregated over all U.S. households: has significant effect on U.S. GDP
- Getting accurate measure of U.S. household wealth and components of household wealth is important for outlook for U.S. consumer spending
 - Depends on getting accurate measure of ROW wealth

Use of TIC Data in Board's International Finance Division

- Current Analysis: Events of past few years: how can monthly TIC data and annual surveys help us understand current global financial issues?
- Also for longer-term analysis: what are emerging trends in cross-border financial flows and investor portfolios?

Example of Analysis: Developments in Emerging Market Economies and Investor Responses to Low Interest Rates

- How exposed are U.S. investors to EMEs? How have they responded to recent turbulence in EME financial markets?
- What's keeping Treasury yields so low? Are Chinese purchases of Treasuries helping hold down yields?
- Are there implications for demand for U.S. securities, U.S. asset prices and interest rates, and the value of the dollar?
- What are the implications for foreign growth and activity? Are there potential spill-overs for U.S. economic activity?
- Recent FOMC statements explicitly mentioned this factor.
- Are there concerns for financial stability?

Concluding Comments

- Data collected in the TIC reporting system is used for range of official publication uses
- Wealth of detail in the data is strongly valued by senior staff in the International Finance division for the ability to analyze important questions about the current economic and financial situation
- Care and effort taken by reporters to ensure the data are accurate is highly valued and much appreciated!
- TIC data releases and reports can be seen at
<https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/index.aspx>



TIC B Monthly Reporting

- Overview Of TIC B Reporting
- TIC BC
 - Overview
 - Reportable and Excluded Claims
 - Reporting by Instrument Type and in “Of-Which” Columns/Rows
 - Common Reporting Errors
- TIC BL-1
 - Overview
 - Reportable and Excluded Liabilities
 - Reporting by Instrument Type and in “Of-Which” Columns/Rows
 - Common Reporting Errors
- TIC BL-2
 - Overview
 - Reportable and Excluded Customer Liabilities
 - Reporting by Instrument Type and in “Of-Which” Columns/Rows
 - Common Reporting Errors



Overview of TIC B Reporting

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Required Filers

- Depository institutions located in the United States:
 - Commercial banks
 - Trust companies that conduct commercial banking business
 - United States branches and agencies of foreign banks
 - Banking Edge Act and Agreement corporations
 - The Federal Reserve Bank of New York
- Bank Holding Companies (BHC)
- Financial Holding Companies (FHC)
- Savings & Loans Holding Companies (SLHC)
- Securities brokers and dealers
- Intermediate Holding Companies (IHCs)



Required Filers

- All other financial institutions (not all inclusive list)
 - Insurance Companies
 - Pension funds, Hedge funds, Mutual funds, Money market funds, Private equity funds
 - Investment banks
 - Real estate investment trust (REITS)
 - Credit card issuers
 - Trusts
 - Finance companies
 - Mortgage companies
 - Factors and other financial intermediaries who extend short-term business credit to finance inventories or carry accounts receivable
 - Futures commission merchants



Consolidation Rules

- Consolidate all U.S. financial and non-financial subsidiaries
 - A subsidiary is a company in which another company (parent) owns 50% or more of the voting securities or an equivalent.
- Consolidate all Variable Interest Entities (VIE) and Trusts
 - Reporter is the trustee or primary beneficiary as governed by ASC 810.
 - Exclude: positions of foreign-resident VIEs.



Consolidation Rules

Filing Responsibility	Include	Exclude
U.S. Resident Banks <ul style="list-style-type: none"> ▪ Including those owned by BHC, FHC & SLHC 	U.S. resident branches & subsidiaries (including IBF)	Owned or controlled: <ul style="list-style-type: none"> ▪ Banks ▪ Insurance Underwriting subsidiaries ▪ Pension funds ▪ Securities broker dealers
BHC, FHC, SLHC & IHCs	U.S. resident subsidiaries	
Securities Broker/Dealers <ul style="list-style-type: none"> ▪ Including those owned by BHC, FHC & Banks 	U.S. resident subsidiaries	Owned or controlled: <ul style="list-style-type: none"> ▪ Insurance Underwriting subsidiaries ▪ Pension funds

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Consolidation Rules

Filing Responsibility	Include	Exclude
Banking Edge Act and Agreements Corporations	U.S. resident branches & subsidiaries (including IBF)	Parent Organization
U.S. Branches & Agencies of Foreign Banks	Offices located in same state & FRB District (including IBF)	No consolidation of offices in different states or FRB District
Insurance companies	U.S. insurance underwriting subsidiaries	Financial non-insurance underwriting subsidiaries
Pension Funds	U.S. pension fund subsidiaries	Financial non-pension fund subsidiaries
All Other Financial Institutions	U.S. resident subsidiaries	Owned or controlled: <ul style="list-style-type: none"> ▪ Insurance Underwriting subsidiaries ▪ Pension Funds ▪ Securities broker dealers

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Affiliates

- A foreign-resident affiliate is:
 - Any foreign-resident entity for which the reporter owns 10 percent or more of its voting equity (or the equivalent);
 - Any foreign-resident “parent” company which owns 10 percent or more of the reporter’s voting equity (or the equivalent);
 - Any foreign-resident company which is a subsidiary (50 percent or more owned) of a foreign parent company of the reporter.



Direct Investments

- Direct Investment Transactions and Positions excluded from the TIC System and reported to the Bureau of Economic Analysis (BEA).
 - A resident of one country obtains a degree of influence over the management of a business enterprise in another country.
 - Ownership of at least 10% of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise (Affiliate).
 - Transactions and positions can be in the form of equity or debt between affiliated entities.



Direct Investments

Exceptions: Non-Direct Investments reported on TIC B

- Debt between selected affiliated financial intermediaries
 - Deposit-taking corporations
 - Securities broker and dealers
 - BHC and FHC
 - Investment Funds
 - Other Financial Intermediaries
 - Except: Insurance companies and pension funds. Their debt positions with their affiliated entities are part of direct investment and reported to BEA.



Direct Investments

Exceptions: Non-Direct Investments reported on TIC B (continued)

- Equity in and debt with certain private funds
 - Investments by U.S. entities of a 10% or more voting interest in a foreign private fund, and investments by foreign entities of a 10% or more voting interest in a U.S. domiciled private fund, if meet two criteria:
 - The private fund does not own, directly or indirectly through another business enterprise, an “operating company” – i.e., a business enterprise that is not a private fund or a holding company— in which the U.S. or foreign parent owns at least 10 percent of the voting interest
 - If the private fund is owned indirectly (through one or more other business enterprises), there are no “operating companies” between the U.S. or foreign parent and the indirectly-owned private fund.

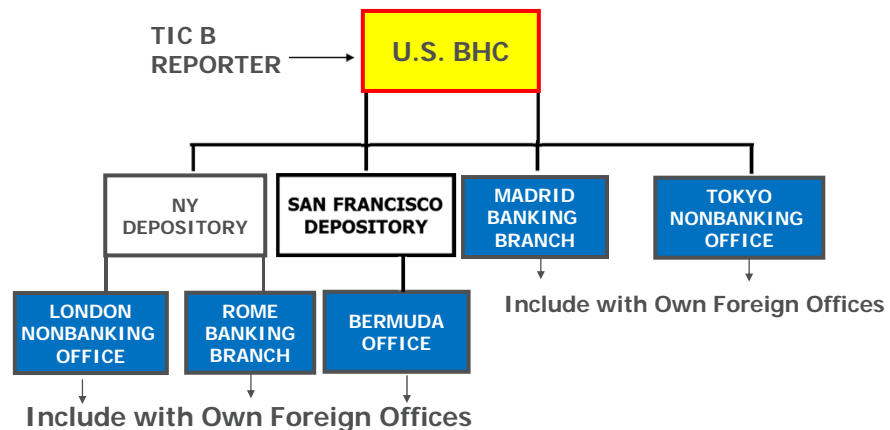


Own Foreign Offices

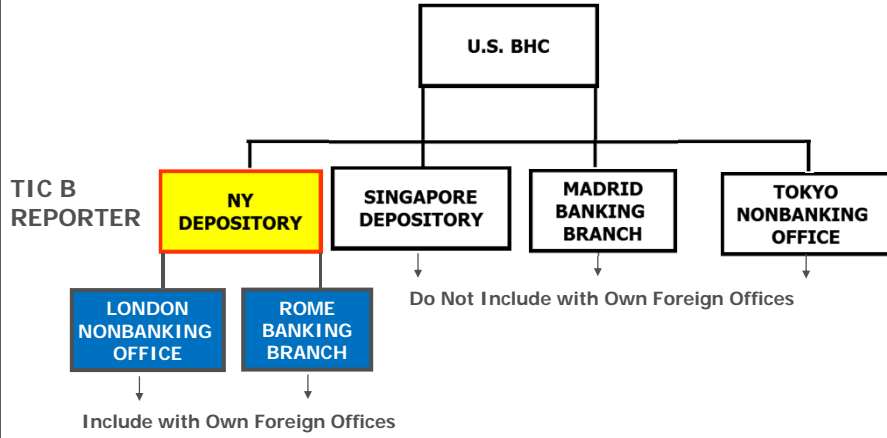
- All Reporters (excluding insurance companies and pension funds):
 - Banking and non-banking foreign offices of the reporter.
 - Foreign offices indirectly owned through a U.S. Subsidiary depository or non-depository financial institution.
 - Direct Foreign Parent.
 - Direct Foreign Parent's non-U.S. branches and agencies.
- Exclude:
 - Foreign offices of the Parent's banking and non-banking subsidiaries.



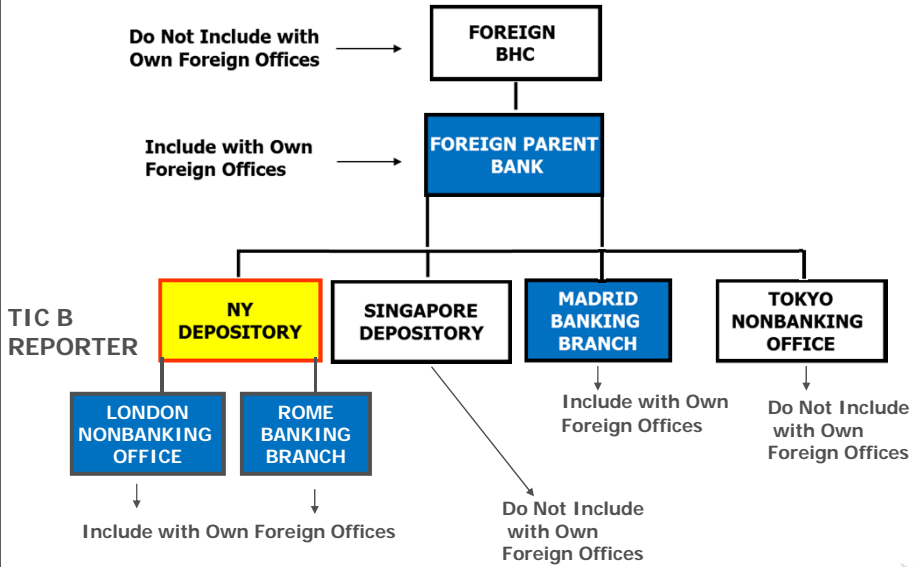
Own Foreign Offices (U.S. BHC)



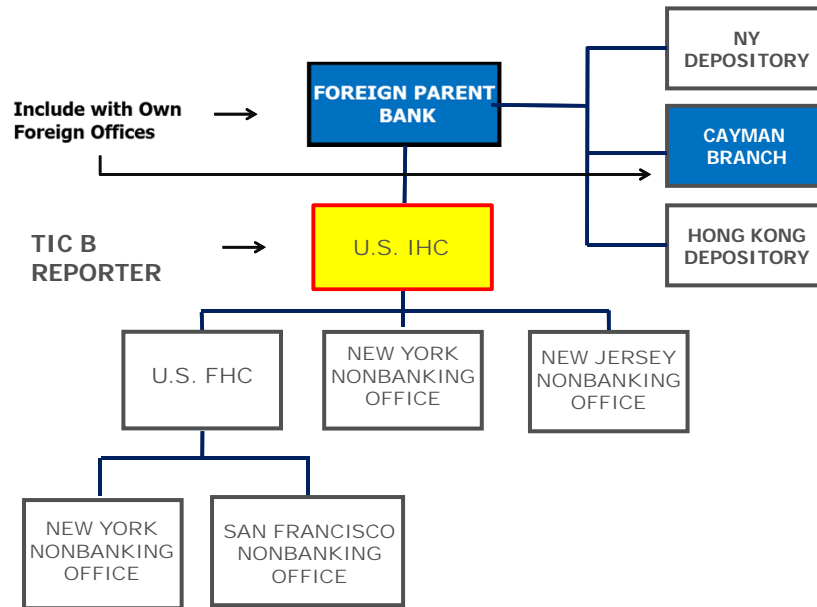
Own Foreign Offices (U.S. owned non-BHC)



Own Foreign Offices (Foreign Parent)



Own Foreign Offices (IHCs)



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Managed Foreign Offices

- Foreign office of the reporter's parent in which:
 - Reporter manages a majority of business decisions:
 - Lending or asset management
 - Funding or liability management
 - Reporter is responsible for recordkeeping with respect to assets and liabilities of that foreign office.

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Determining Residency

- Residence is determined by direct counterparty's country of legal residence.
 - Branches of a Parent Bank
 - Foreign domiciled branch of U.S. resident (Foreign resident)
 - U.S. domiciled branch of Foreign resident (U.S. resident)
- Residence is not reported based on the country of issuance, guarantor, counterparty's parent, or instrument's currency denomination.
- Valid IRS Form W-9 or W-8 is appropriate documentation for determining whether an entity is considered a U.S. or foreign resident.



Determining Residency

Counterparty	Residency
Banks, BHC, FHC, SLHC, FBO Securities Broker/Dealers Corporations (including subsidiaries)	Country where incorporated <ul style="list-style-type: none"> ▪ Not country of head office or primary operations
Bank branches	Country where licensed <ul style="list-style-type: none"> ▪ Not country of head office
Individuals	Country of domicile
Entities/individuals that file IRS Form W-8 (indicating foreign resident)	Foreign country reported <ul style="list-style-type: none"> ▪ Except Puerto Rico, U.S. Territories
Partnerships, Trust and Funds	Country where legal organized



Determining Residency

Foreign Counterparty Domicile Exceptions:

- International & Regional Organizations
 - Not reported in country of domicile.
 - Reported in appropriate “International and Regional Organizations” row, based on classification in “Geographical Classification” document (see Appendix B).

International & Regional Organizations	
International	7290-7
European	7390-3
Latin American	7491-8
Caribbean	7494-2
Asian	7590-6
African	7690-2
Middle Eastern	7790-9
TOTAL INT'L & REGIONAL ORGANIZATIONS	7999-5



Determining Residency

Foreign Counterparty Domicile Exceptions (Continued):

- Institutions reported in their own individual country row (Exclude from International & Regional Organizations):
 - Bank for International Settlements (BIS) (1330-7)
 - European Central Bank (ECB) (1350-1)
 - Eastern Caribbean Central Bank (ECCB) (3541-6)
 - Bank of Central African States (BEAC) (5031-8)
 - Central Bank of West African States (BCEAO) (5064-4)
- Branches and agencies of Foreign Official Institutions (FOIs) are reported opposite the country that owns the FOI.



Counterparty Classification

Foreign Official Institutions (FOIs):

- Treasuries, including:
 - Ministries of Finance
 - Corresponding Departments of National Governments

- Central Banks, including all departments thereof

- Stabilization Funds, including:
 - Official exchange control offices or other government exchange authorities.



Counterparty Classification

Foreign Official Institutions (FOIs) (Continued):

- Banks, corporations, or other agencies, including development banks & other institutions majority-owned by central governments, which are:
 - Fiscal agents of national governments
 - Perform activities similar to those of a treasury, central bank, stabilization fund, or exchange control authority.

- Appendix C: <http://ticdata.treasury.gov/Publish/foi-aug2014.html>
 - Non-exhaustive list of major Foreign Official Institutions.



Counterparty Classification

Foreign Banks:

- Foreign Resident Banks, as defined by laws of the host country:
 - Commercial Banks
 - Savings Banks
 - Development Banks
 - Discount Houses
 - Similar institutions, excluding FOIs

- Includes foreign banking offices of reporter (i.e., branches, etc.).



Counterparty Classification

All Other Foreigners:

- All foreign residents that do not meet the definition of a foreign bank or foreign official institution
 - Non-banking parent, offices and subsidiaries
 - Non-Financial Corporations, Partnerships, Individuals
 - Departments and Agencies of Foreign State, Provincial, and Local Governments
 - Foreign Government Sponsored Corporations



Counterparty Classification

All Other Foreigners (Continued):

- Non-Bank Financial Institutions (NBFIs)
 - Institutions primarily engaged in proprietary investments and/or the provision of financial services to other organizations and households, excluding banks and public institutions.
 - Examples:
 - Securities Broker/Dealers
 - Bank Holding Companies (BHCs)
 - Financial Holding Companies (FHCs)
 - Insurance Companies
 - Pension Funds
 - Hedge Funds
 - Trusts



General Accounting Issues

- Report gross, using settlement date accounting
- Balance outstanding at close of business of the last day of reporting period
 - Actual general ledger balance
- Millions of U.S. dollars
 - Each cell rounded to nearest million (no decimals)
 - Amounts < \$500,000 rounded to zero
 - Foreign currency denominated positions converted to U.S. dollar equivalent using closing spot exchange rate on report as-of date (TIC BQ-2, BQ-3)
- Report only positive values (no negatives)
 - Claims with negative balances reported as liabilities
 - Liabilities with negative balances reported as claims



General Accounting Issues

- Securities reported at face value
- All other financial instruments reported at outstanding contractual amount, less any impairments or accrued interest (if applicable)
 - Accrued interest receivables and payables reported separately.
- Deduct charge-offs or specific reserves from claims, where identified loss.
 - TIC BC, "Assets written off this reporting period" (8200-9)
 - Only in initial period established
 - No reduction for general or valuation reserves



Report Submission

Filing Responsibility	Where to File
Banks, BHC, FHC, SLHC, IHCs	File with FRB District where located <ul style="list-style-type: none"> ▪ Unless instructed otherwise
U.S. Branches & Agencies of a Foreign Bank, located in the same state and FRB District	File consolidated report with FRB District where operate <ul style="list-style-type: none"> ▪ Only applicable to Richmond and San Francisco districts
U.S. Branches & Agencies of a Foreign Bank, located in different states or FRB Districts	File separate reports to the FRB District where operate <ul style="list-style-type: none"> ▪ Only applicable to Richmond and San Francisco districts
Securities Broker Dealers <ul style="list-style-type: none"> ▪ Including those owned by Banks, BHC, & FHC 	File with FRB New York <ul style="list-style-type: none"> ▪ Regardless of location
All Other Financial Institutions	File with FRB New York <ul style="list-style-type: none"> ▪ Regardless of location



Report Submission

Method of Submission

- Reporting Central
 - Application Setup:
https://www.frbservices.org/centralbank/reportingcentral/application_setup.html
 - User Guides:
https://www.frbservices.org/centralbank/reportingcentral/reportingcentral_userguides.html
- Fax, Hand-delivered, Mail



Report Submission

Requirements

- Reporter's Information
 - RSSD ID and legal name of reporting institution
- Signature Requirement
 - Signed by authorized officer
 - Electronic filers must retain signature page
- Federal Reserve staff review
- Revision
 - Contact Federal Reserve staff prior to submission
- Report Record Retention
 - Reports must be retained for 3 years from the date of submission



Monthly Report Frequency

- As-of date is last business day of the month
- Due date is 15 calendar days following the last day of the month
 - If the due date falls on a weekend or holiday, the due date is the following business day

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

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Monthly Exemption Levels

Exemption Levels for TIC Reporting			
		Exemption Levels (Report if greater than or equal to either level)	
Form/ Part	Description	Grand Total of all Geographical Areas (Row 9999-6)	Individual Country Data (any country row)
TIC BC	Reporter's own dollar claims on foreign residents	\$50 million	\$25 million
TIC BL-1	Reporter's own dollar liabilities on foreign residents	\$50 million	\$25 million
TIC BL-2	Reporter's U.S. customers' dollar liabilities to foreign residents	\$50 million	\$25 million

- Once exceed exemption level, reporter must continue to file for the remainder of the calendar year.
- Re-evaluate beginning of each calendar year and continue to monitor balances.

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TIC BC: Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents

FEDERAL RESERVE BANK *of* NEW YORK

TIC BC Overview

Overview

- Report U.S. Dollar denominated claims on foreign residents.
 - Financial Institutions (excluding insurance companies, pensions funds), report claims on:
 - Affiliated counterparties
 - Own Foreign Offices (banking and non-banking)
 - Unaffiliated counterparties (unless excluded)
 - Insurance companies & pension funds, report claims on:
 - Only unaffiliated counterparties (unless excluded)



TIC BC Reportable Claims

Reportable Claims

- Deposit balances due from banks of any maturity (including non-negotiable CDs)
- Negotiable certificates of deposit of any maturity
- Customers' overdrawn accounts
- Loans and loan participations of any maturity
 - Report outstanding contractual amount less any impairment, accrued interest receivables and unamortized origination fees.
- Resale agreements and similar financing agreements
- Short-term negotiable and non-negotiable securities (original maturity one year or less)
 - Guaranteed Investment Contracts (GICs) meet definition of a security under ASC 320. Treated as non-negotiable securities.



TIC BC Reportable Claims

Reportable Claims (Continued)

- Brokerage balances
 - Cash balances held by U.S. residents in brokerage and margin accounts with foreign residents, including:
 - Cash margin or collateral, to support open positions in futures (i.e., initial and maintenance margin) or options on exchanges, OTC derivatives, and excess cash margin or collateral retained from previous settlement.
 - Balances should be reported on a gross basis.
 - Exclude:
 - Variation Margin: periodic payments & receipts resulting from changes in the value of derivative contracts (TIC D).
 - Securities held in margin accounts or as collateral.
- Money market instruments (e.g., commercial paper, bankers' acceptances) with an original maturity of one year or less.



TIC BC Reportable Claims

Reportable Claims (Continued)

- Reinsurance recoverables
- Accrued interest receivables, including:
 - Interest accruals on both short-term and long-term securities and loans, dividends, and derivatives.
 - Interest/dividend accruals on securities lent or borrowed for cash (not securities).
- Dividend and withholding tax accruals on equity & ETF positions
 - Reported for country in which direct counterparty legally resides (i.e., issuer of equity/ETF).
- Net Unremitted Profit (“Other Claims”)
- Policy loans, where a policyholder receives a loan collateralized by their insurance policy is reported as loan claim.



TIC BC Excluded Claims

Excluded Claims

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution.
- Credit commitments (e.g., unused loan commitments and unused loan facilities), and contingent liabilities.
- Derivatives, including forwards, futures, options, swaps, and warrants.
 - Notional, fair value, and payments and receipts related to derivative positions not reportable. Net settlements and fair values of derivative contracts reported on TIC D.
- Spot foreign exchange contracts.



TIC BC Excluded Claims

Excluded Claims (Continued)

- Precious metals (e.g., gold, silver) and currencies in transit to or from the United States or held outside the United States for the account of the reporter.
- Foreign currency-denominated claims.
- Securities borrowing agreements in which one security is borrowed in return for another.
- Claims in the form of short-term securities or certificates of deposit for which a U.S.- resident custodian is used.
- Any positions related to securities sold short.



TIC BC Reporting by Instrument Type

Claims on Foreign Banks and Foreign Official Institutions			Claims on All Other Foreigners		Grand Total (sum of columns 1-5)	"Of Which" Items		
Non-Negotiable Foreign Deposits	Negotiable CDs and All Short-Term Negotiable Securities	Other	All Short-Term Negotiable Securities	Other		Foreign Official Institutions	Own Foreign Offices	Resale Agreements
1	2	3	4	5	6	7	8	9
Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions

- **Non-Negotiable Foreign Deposits (Column 1)**
 - Time deposits (e.g., non-negotiable CDs), demand, savings deposits
 - Eurodollar deposits
 - Brokerage balances due from foreign banks
- **Negotiable CDs & Short-Term Negotiable Securities (Column 2)**
 - Negotiable CDs (any maturity)
 - Negotiable securities (original maturity one year or less)



TIC BC Reporting by Instrument Type

Reporting by Instrument Type (Continued)

- **Other Instruments (Columns 3 & 5)**
 - Resale agreements
 - Insurance claims not yet paid
 - Prepaid insurance premiums
 - Accrued interest receivable
 - Non-negotiable short-term securities
 - All brokerage balances due from foreign securities brokers and dealers (only Column 5)

- **All Short-Term Negotiable Securities (Column 4)**
 - Negotiable securities (including money market instruments), with an original maturity of one year or less



TIC BC “Of-Which Columns”

Reporting in “Of-Which” Columns

Claims on Foreign Banks and Foreign Official Institutions			Claims on All Other Foreigners		Grand Total (sum of columns 1 - 5)	“Of Which” Items		
Non-Negotiable Foreign Deposits	Negotiable CDs and All Short-Term Negotiable Securities	Other	All Short-Term Negotiable Securities	Other		Foreign Official Institutions	Own Foreign Offices	Resale Agreements
1	2	3	4	5	6	7	8	9
Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions

- **Foreign Official Institutions (Column 7)**
 - Report all claims in Columns 1-3, due from FOIs.
- **Own Foreign Offices (Column 8)**
 - Report all claims reported in Columns 1-5, due from own foreign offices.
- **Resale Agreements (Column 9)**
 - Report all amounts reported in Columns 3 and 5, which represent funds loans to foreign residents under resale agreements and similar financing arrangements.



TIC BC “Of-Which Rows”

Foreign Economies and Organizations	Claims on Foreign Banks and Foreign Official Institutions			Claims on All Other Foreigners		Grand Total (sum of columns 1 – 5)	“Of Which” Items		
	Non-Negotiable Foreign Deposits	Negotiable CDs and All Short-Term Negotiable Securities	Other	All Short-Term Negotiable Securities	Other		Foreign Official Institutions	Own Foreign Offices	Resale Agreements
CODE	1	2	3	4	5	6	7	8	9
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions
“OF WHICH” ITEMS:									
TOTAL IBF ASSETS	8300-3								
NEGOTIABLE CDS	8110-8								
UNPAID INSURANCE CLAIMS	8132-9								
CLAIMS ON FOREIGN-RESIDENT NON-BANK FINANCIAL INSTITUTIONS	8133-7								

- **Total IBF Assets (8300-3)**
 - Claims of reporter’s IBF on foreign residents reported in Columns 1-9
- **Negotiable CDs (8110-8)**
 - Amount reported in Column 2
- **Unpaid Insurance Claims (8132-9)**
 - Reinsurance recoverables due from unaffiliated foreign resident insurance companies, reported in Columns 3, 5, and 6
- **Claims on Foreign Resident NBFIs (8133-7)**
 - Amounts reported in Columns 4, 5, 6, 8 and 9



TIC BC “Of-Which Rows”

Foreign Economies and Organizations	Claims on Foreign Banks and Foreign Official Institutions			Claims on All Other Foreigners		Grand Total (sum of columns 1 – 5)	“Of Which” Items		
	Non-Negotiable Foreign Deposits	Negotiable CDs and All Short-Term Negotiable Securities	Other	All Short-Term Negotiable Securities	Other		Foreign Official Institutions	Own Foreign Offices	Resale Agreements
CODE	1	2	3	4	5	6	7	8	9
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions
MEMORANDUM ITEM:									
ASSETS WRITTEN OFF THIS REPORTING PERIOD (Please summarize by country and column in a separate statement)	8200-9								

- **Assets Written-Off (8200-9)**
 - Deduct charge-offs or specific reserves from claims, where identified loss.
 - Only in initial period established.
 - No reduction for general or valuation reserves.



TIC BC Common Reporting Errors

Common Reporting Errors

- Excluding accrued interest receivable from “Other Claims”, including interest accruals on long-term securities.
- Reporting foreign currency-denominated claims.
- Reporting short-term securities or CDs held by a U.S. custodian.
- Depository Institutions including claims on offices of affiliated banks and non-banking offices of their parent in “Own Foreign Offices” (Column 8).
- Reporting long-term negotiable securities.



TIC BC Common Reporting Errors

Common Reporting Errors (Continued)

- Reporting variation margin or securities held in margin accounts, as brokerage balances.
- Reporting interest accruals on securities lent or borrowed in return for other securities.
- Netting balances, including with related parties. All amounts should be reported gross.
- Reporting trade date receivables.



TIC BL-1: Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents

FEDERAL RESERVE BANK *of* NEW YORK

TIC BL-1 Overview

- Report U.S. Dollar denominated liabilities to foreign residents
 - Financial Institutions (excluding insurance companies, pensions funds), report liabilities to:
 - Affiliated counterparties
 - Own Foreign Offices (banking and non-banking)
 - Unaffiliated counterparties (unless excluded)
 - Insurance Companies & Pension Funds, report liabilities to:
 - Only unaffiliated counterparties (unless excluded)



TIC BL-1 Reportable Liabilities

Reportable Liabilities

- Brokerage balances
 - Cash balances held by foreign residents in brokerage and margin accounts at U.S. resident entities, including:
 - Cash margin or collateral, to support open positions in futures (i.e., initial and maintenance margin) or options on exchanges, OTC derivatives, and excess cash margin or collateral retained from previous settlement.
 - Balances should be reported on a gross basis.
 - Exclude:
 - Variation Margin- periodic payments & receipts resulting from changes in the value of derivative contracts (TIC D).
 - Securities held in margin accounts or as collateral



TIC BL-1 Reportable Liabilities

Reportable Liabilities (Continued)

- Repurchase agreements and similar financing agreements
- Insurance technical reserves
- Accrued interest payables
 - Interest accruals on both short-term and long-term securities (i.e., corporate and government bonds)
 - Interest/dividend accruals on securities lent or borrowed for cash (not securities)
- Prepaid insurance premiums
- Security deposits held for foreign lessees
- Net Unremitted Loss (“Other Liabilities”)



TIC BL-1 Reportable Liabilities

Reportable Liabilities (Continued)

- Dividend and withholding tax accruals on equity and ETF positions
 - Reported for country in which the direct counterparty legally resides (i.e., issuer of equity/ETF).
- Reporter's liability to offshore branch, in which customer's funds are transferred to an account at a managed offshore branch under a sweep transaction.
- Annuities payable by an insurance company, reported at value reported on financial statements ("Other Liabilities").



TIC BL-1 Excluded Liabilities

Excluded Liabilities

- Long-term securities (no contractual maturity or an original maturity of over one year), including equities and any long-term notes, bonds, and debentures of the reporting institution.
- Contingent liabilities
- Derivatives, including forwards, futures, options, swaps, and warrants.
 - Notional, fair value, and payments and receipts related to derivative positions not reportable. Net settlements and fair values of derivative contracts reported on TIC D.
- Spot foreign exchange contracts.
- Precious metals (e.g., gold, silver) and currencies in transit to or from the United States or held outside the United States for the account of the reporter.



TIC BL-1 Excluded Liabilities

Excluded Liabilities (Continued)

- Foreign currency-denominated liabilities.
- Securities lending agreements, in which one security is lent in return for another.
- Negotiable CDs and Short-Term Securities
 - Reported by U.S. Custodian or U.S. Issuer (no U.S. custodian used):
 - TIC BL-2 (Dollar Denominated)
 - TIC BQ-2 (Foreign Currency Denominated)
- Foreign residents' deposits or brokerage balances swept into money market or other mutual funds (TIC S).
- Loans from a foreign resident that are serviced by a U.S. resident (including the reporter's own offices).
- Any positions related to securities sold short.



TIC BL-1 Reporting by Instrument Type

Foreign Economies and Organizations	To Foreign Official Institutions		To Foreign Banks		To All Other Foreigners		Grand Total (sum of columns 1-6)	"Of Which" Items	
	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other		Own Foreign Offices	Repurchase Agreements
CODE	1	2	3	4	5	6	7	8	9
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions

- **Non-Negotiable Deposits & Brokerage Balances (Columns 1, 3 & 5)**
 - Time (e.g., non-negotiable CDs), demand, savings deposits
 - Brokerage balances
 - Security deposits held for foreign lessees
- **Other Instruments (Columns 2, 4 & 6)**
 - Loans from foreign residents
 - Repurchase agreements
 - Overdrawn deposit accounts
 - Unpaid insurance claims and prepaid insurance premiums
 - Accrued Interest Payable
 - Non-negotiable short-term securities issued by reporter



TIC BL-1 “Of-Which” Columns

Reporting in “Of-Which” Columns

Foreign Economies and Organizations	To Foreign Official Institutions		To Foreign Banks		To All Other Foreigners		Grand Total (sum of columns 1-6)	“Of Which” Items	
	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other		Own Foreign Offices	Repurchase Agreements
CODE	1	2	3	4	5	6	7	8	9
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions

- **Own Foreign Office (Column 8)**
 - Report all liabilities included in Columns 3-6, due to own foreign offices
- **Repurchase Agreements (Column 9)**
 - Report all amounts reported in Columns 2, 4 and 6, which represent funds borrowed under repurchase agreements and similar financing arrangements



TIC BL-1 “Of-Which” Rows

Reporting in “Of-Which” Rows

Foreign Economies and Organizations	To Foreign Official Institutions		To Foreign Banks		To All Other Foreigners		Grand Total (sum of columns 1-6)	“Of Which” Items	
	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other		Own Foreign Offices	Repurchase Agreements
CODE	1	2	3	4	5	6	7	8	9
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions

“OF WHICH” ITEMS:

TOTAL IBF LIABILITIES	8300-3								
REPURCHASE AGREEMENTS	8400-7								
TOTAL NON INTEREST BEARING LIABILITIES	8130-2								
UNPAID INSURANCE CLAIMS AND PREPAID INSURANCE PREMIUMS	8132-9								
LIABILITIES TO FOREIGN-RESIDENT NON-BANK FINANCIAL INSTITUTIONS	8133-7								

- **Total IBF Liabilities (8300-3)**
 - Liabilities of reporter’s IBF to foreign residents reported in Columns 1-9
- **Repurchase Agreements (8400-7)**
 - Amounts reported in Columns 2, 4, 6, and 8
- **Non-interest Bearing Liabilities (8130-2)**
 - All non-interest bearing deposits and loans reported in Columns 1- 6
 - All non-interest bearing liabilities reported in Columns 3-6



TIC BL-1 “Of-Which” Rows

Reporting in “Of-Which” Rows (Continued)

Foreign Economies and Organizations	To Foreign Official Institutions		To Foreign Banks		To All Other Foreigners		Grand Total (sum of columns 1-6)	“Of Which” Items	
	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other	Non-Negotiable Deposits & Brokerage Balances	Other		Own Foreign Offices	Repurchase Agreements
CODE	1	2	3	4	5	6	7	8	9
	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
OF WHICH ITEMS:									
UNPAID INSURANCE CLAIMS AND PREPAID INSURANCE PREMIUMS	8132-9								
LIABILITIES TO FOREIGN-RESIDENT NON- BANK FINANCIAL INSTITUTIONS	8133-7								

- **Unpaid Insurance Claims and Prepaid Insurance Premiums (8132-9)**
 - For U.S. resident underwriting business, the total amount of technical reserves (unpaid insurance claims and prepaid insurance premiums) reported in Columns 2, 4, 6 and 7
- **Liabilities to Foreign Resident NBF1 (8133-7)**
 - Amounts reported in Column 5, 6, 7, 8 and 9



TIC BL-1 Common Reporting Errors

Common Reporting Errors

- Excluding accrued interest payable from “Other Liabilities”, including interest accruals on long-term securities.
- Reporting negotiable short-term securities
- Reporting negotiable CDs
- Depository Institutions including liabilities on offices of affiliated banks and non-banking offices of their parent in “Own Foreign Offices” (Column 8)
- Reporting variation margin or securities held in margin accounts, as brokerage balances.



TIC BL-1 Common Reporting Errors

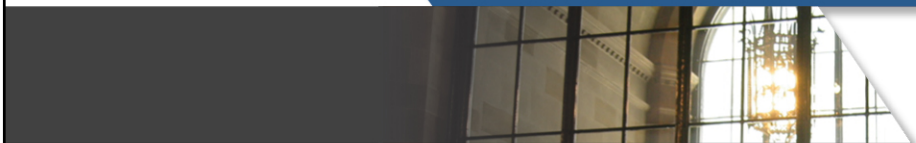
Common Reporting Errors (Continued)

- Reporting interest accruals on securities lent or borrowed in return for other securities.
- Excluding reporter's liability to offshore branch, in which customer's funds are transferred to an account at a managed foreign office under a sweep transaction.
- Netting balances, including with related parties. All amounts should be reported gross.



TIC BL-2: Report of Customers' U.S. Dollar Liabilities to Foreign Residents

FEDERAL RESERVE BANK *of* NEW YORK



TIC BL-2 Overview

- Report Customers' U.S. Dollar Denominated Liabilities to Foreign Residents
 - Custodian: a bank or other organization that manages or administers the custody or safekeeping of stock certificates, debt securities, or other assets for institutional and private investors.
 - Multiple U.S. Custodians: only U.S. custodian nearest to foreign resident claimant/acting as agent on behalf of foreign end-claimant should report the liabilities.
 - Asset/Fund Managers
 - Assets under management not held by U.S. resident custodian
 - Issuer
 - Loan administrator or servicer
 - Manage a foreign office of the parent
 - U.S. CLO Trustee
 - From loan syndications pooled into CLO transactions



TIC BL-2 Reportable Customer Liabilities

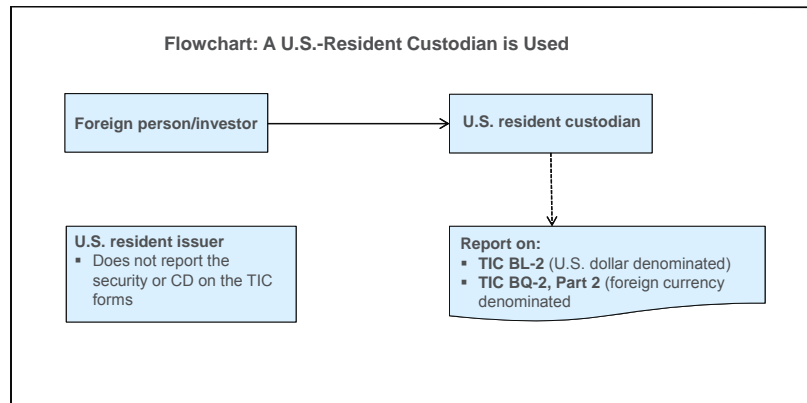
Reportable Customer Liabilities

- Custody Items
 - Short-term (original maturity of one year or less) negotiable and non-negotiable debt securities (including money market instruments).
 - Whether issued by reporter or another U.S. resident
 - Negotiable certificates of deposit of any maturity issued by either the reporter or another U.S. resident depository institution and held by the reporter for foreign residents.
 - Note: Interest, dividends, and withholding taxes on these positions should be reported by the U.S. resident only when the reporter knows the custodian either does not have this information or is not reporting it.



TIC BL-2 Reportable Customer Liabilities

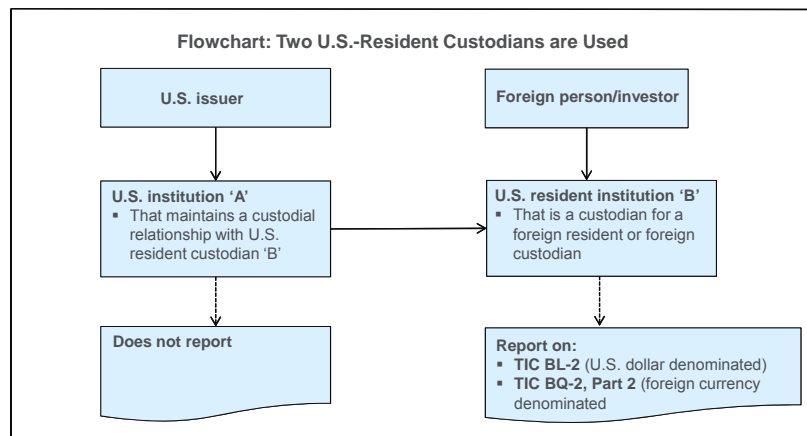
- Reporting of Liabilities of U.S. residents to foreign residents from short-term securities or certificates of deposit (any maturity):



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TIC BL-2 Reportable Customer Liabilities

- Reporting of Liabilities of U.S. residents to foreign residents from short-term securities or certificates of deposit (any maturity):



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TIC BL-2 Reportable Customer Liabilities

Reportable Customer Liabilities (Continued)

- Short-term Negotiable Securities
 - Short-term negotiable securities issued by the reporter directly in a foreign market where no U.S. custodian (other than the reporter) is used.
 - Short-term non-negotiable securities issued by the reporter directly in a foreign market reported on TIC BL-1.
 - Negotiable CDs treated similar short-term negotiable securities
 - All foreign-held negotiable CDs of U.S. depository institutions (regardless of maturity), whether issued by the reporter or by another U.S. depository institution, if reporter is U.S. custodian or no U.S. custodian is used.



TIC BL-2 Reportable Customer Liabilities

Reportable Customer Liabilities (Continued)

- Liabilities to Managed Foreign Offices
 - Liabilities of U.S. residents other than those subject to TIC B reporting, to managed foreign offices of the reporter.
 - Managed Foreign Office, is one in which the reporter has:
 - Majority responsibility for business decisions (e.g., lending, asset management, funding, liability management, etc.)
 - Responsible for recordkeeping



TIC BL-2 Reportable Customer Liabilities

Reportable Customer Liabilities (Continued)

- Loans Placed Overseas
 - Foreign holdings of loans and loan participations to U.S. residents that are serviced by the reporter, whether held by affiliated or non-affiliated parties.
 - Liabilities of U.S. residents to foreign residents from loan syndications in which the reporter is the administrative agent.
 - Loan Servicer/Administrative Agent- Acts as a collector of payments from the borrower(s) on behalf of the holder(s) of the loan.



TIC BL-2 Reportable Customer Liabilities

Reportable Customer Liabilities (Continued)

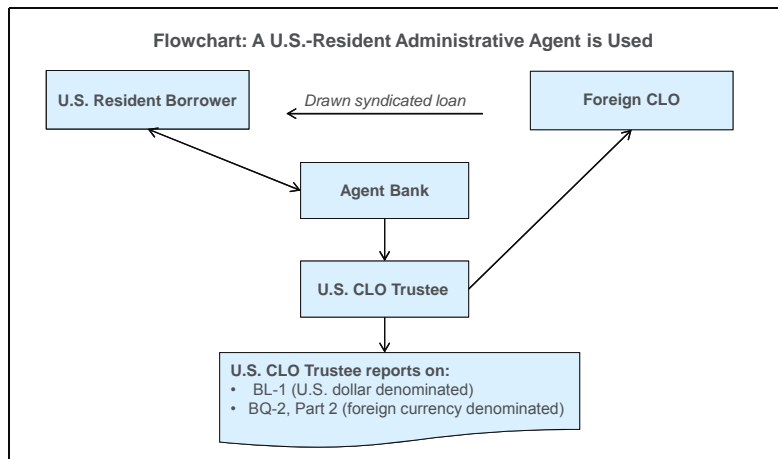
- Loans Placed Overseas (Continued)
 - Exception: Liabilities of U.S. residents to foreign residents from loan syndications that are pooled into CLO transactions, are reported by the U.S. CLO Trustee.
 - U.S. CLO Trustee- An entity whose role is to represent the CLO investors. Is responsible for issuing monthly 'trustee reports' to investors, which list all assets held by the CLO and details its recent purchases and sales. Should report all outstanding loans to U.S. resident borrowers held by foreign CLOs.
 - Effective as-of next publication of TIC B Instructions
 - In accordance with current TIC B Instructions (effective as-of December 2013 and afterwards), currently, the U.S. Agent Bank (not U.S. CLO Trustee) reports the liability.



TIC BL-2 Reportable Customer Liabilities

Reportable Customer Liabilities (Continued)

- Reporting of Liabilities of U.S. residents to foreign residents from loan syndications pooled into CLO transactions:



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TIC BL-2 Excluded Customer Liabilities

Excluded Customer Liabilities

- Long-term securities (no contractual maturity or original maturity of over one year), including equities and any long-term notes, bonds, and debentures.
- Precious Metals (e.g., gold, silver) and currencies held in the reporter's vaults for foreign residents.
- Foreign currency-denominated liabilities (TIC BQ-2 Part 2).
- Assets, including short-term securities held in custody for customers, which have been temporarily received by foreign residents as collateral under resale agreements or similar financing agreements.
- Short-term non-negotiable securities issued by your own institution (TIC BL-1).

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TIC BL-2 Reporting by Instrument Type

Foreign Economies and Organizations	To Foreign Official Institutions			To Foreign Banks			To All Other Foreigners			Grand Total (sum of columns 1-9)	*Of Which* Item
	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities		
Code	1	2	3	4	5	6	7	8	9	10	11
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions

- **Short-Term U.S. Treasury Obligations (Columns 1, 4, 7)**
 - Short-Term (original maturity of one year or less) direct obligations of the U.S. Treasury.
 - Exclude: Securities issued or guaranteed by other U.S. government agencies, state and local governments (report in Columns 2, 5, or 8).
- **Negotiable CDs & Short-Term Negotiable Securities (Columns 2, 5, 8)**
 - Negotiable CDs (any maturity).
 - Negotiable securities (including money market instruments), with an original maturity of one year or less not issued by the U.S. Treasury.

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TIC BL-2 Reporting by Instrument Type

Reporting by Instrument Type (Continued)

- **Other Custody Liabilities (Columns 3, 6 & 9)**
 - Foreign residents' holdings of all reportable liabilities other than short-term U.S. Treasury Obligations, negotiable CDs, and negotiable short-term securities, including:
 - Loans to U.S. residents from foreign residents that are serviced by the reporter, including drawn syndicated loans where reporter acts as administrative agent (except when pooled into CLOs).
 - Liabilities of U.S. residents to foreign residents from loan syndications that are pooled into CLO transactions, where reporter is U.S. CLO Trustee
 - Loans to U.S. residents (other than those subject to TIC B reporting) from managed foreign offices of the reporter
 - All custodial holdings of non-negotiable securities

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TIC BL-2 “Of-Which” Column

Reporting in the “Of-Which” Column

Foreign Economies and Organizations	To Foreign Official Institutions			To Foreign Banks			To All Other Foreigners			Grand Total (sum of columns 1 – 9)	“Of Which” Item Negotiable Certificate of Deposits Held for Foreigners
	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities		
CODE	1	2	3	4	5	6	7	8	9	10	11
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions

- **Negotiable Certificates of Deposits Held for Foreign Residents (Column 11)**
 - Report Negotiable CDs held for foreign residents, reported in Columns 2, 5, and 8.



TIC BL-2 “Of-Which” Rows

Reporting in the “Of-Which” Rows

Foreign Economies and Organizations	To Foreign Official Institutions			To Foreign Banks			To All Other Foreigners			Grand Total (sum of columns 1 – 9)	“Of Which” Item Negotiable Certificate of Deposits Held for Foreigners
	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities		
CODE	1	2	3	4	5	6	7	8	9	10	11
	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions	Milions
MEMORANDUM ITEMS											
TOTAL U.S. RESIDENT BANK DEBT	3240-7										
LOANS TO U.S. BANKS	3240-8										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. BANKS (INCLUDES NEGOTIABLE CDs)	3240-4										
TOTAL U.S. GENERAL GOVERNMENT DEBT	3240-2										
TOTAL U.S. AGENCY DEBT	3240-9										
DEBT OF U.S. RESIDENT NON-BANK FINANCIAL INSTITUTIONS (NBFI)	3238-5										
LOANS TO U.S. NBFI	3238-6										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. NBFI	3238-4										



TIC BL-2 “Of-Which” Rows

Reporting in the “Of-Which” Rows

- **U.S. Resident Bank Debt**
 - **Total U.S. Resident Bank Debt (8102-7) (Column 10)**
 - Total liabilities in which U.S. Banks are the debtor
 - **Loans to U.S. Banks (8141-8) (Columns 3, 6, 9 & 10)**
 - Loans to U.S. banks from foreign residents in row (8102-7)
 - **Short-Term Negotiable Securities Issued by U.S. Banks (8142-6) (Columns 2, 5, 8 & 10)**
 - Short-term negotiable securities (original maturity of one year or less) issued by U.S. banks held by foreign residents in row (8102-7)
 - Exclude: Negotiable CDs and Non-Negotiable Securities



TIC BL-2 “Of-Which” Rows

Reporting in the “Of-Which” Rows (Continued)

- **U.S. Government Debt**
 - **Total U.S. General Government Debt (8144-2) (Column 10)**
 - All debt issued by U.S. Treasury and State & Local Governments, reported in the Grand Total (9999-6)
 - **Exclude:** Debt issued by U.S. government agencies, federally-sponsored agencies, and U.S. government corporations
 - **Total U.S. Agency Debt (8146-9) (Column 10)**
 - All debt issued or guaranteed by U.S. Government Agencies or Federally-Sponsored Enterprises, reported in the Grand Total (9999-6)
 - Includes: MBS issued or guaranteed by federal agency, federal instrumentality, or government-sponsored enterprise, including participation certificates, pass-throughs, CMOs, REMICs



TIC BL-2 “Of-Which” Rows

Reporting in the “Of-Which” Rows (Continued)

- **U.S. Resident Non-Bank Financial Institutions’ Debt**
 - **Debt of U.S. Resident NBFIs (8134-5) (Column 10)**
 - Total liabilities which U.S. NBFIs are the debtor
 - **Loans to U.S. NBFIs (8135-3) (Columns 3, 6, 9 & 10)**
 - Loans from foreign residents to U.S. NBFIs
 - Reporter servicer or administrative agent
 - From managed offices of the reporter
 - **Short-Term Negotiable Securities Issued by U.S. NBFIs (8136-1) (Columns 2, 5, 8, & 10)**
 - Exclude: Non-negotiable securities



TIC BL-2 Analysis Provided to End-Users

- **Short-Term Negotiable Securities Issued by Non-Financial Corporations**
 - Sum of Grand Total reported in Columns 2, 5, and 8, excluding:
 - Negotiable CDs Held for Foreigners (Grand Total Column 11)
 - Short-Term Negotiable Securities Issued by U.S. Banks (8142-6)
 - Total U.S. Agency Debt (8146-9)
 - Short-Term Negotiable Securities Issued by U.S. NBFIs (8136-1)

Foreign Economies and Organizations	To Foreign Official Institutions			To Foreign Banks			To All Other Foreigners			Grand Total (sum of columns 1-9)	“Of Which” Item Negotiable Certificate of Deposits Held for Foreigners
	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities		
CODE	1	2	3	4	5	6	7	8	9	10	11
	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
GRAND TOTAL	3999.6										
MEMORANDUM ITEMS											
TOTAL U.S. RESIDENT BANK DEBT	8833.7										
LOANS TO U.S. BANKS	3543.8										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. BANKS (NOTE: DO NOT INCLUDE NEGOTIABLE CDS)	3142.6										
TOTAL U.S. GENERAL GOVERNMENT DEBT	1046.2										
TOTAL U.S. AGENCY DEBT	1046.8										
DEBT OF U.S. RESIDENT NON-BANK FINANCIAL INSTITUTIONS (NBFI)	3134.9										
LOANS TO U.S. NBFI	1029.0										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. NBFI	2105.9										



TIC BL-2 Analysis Provided to End-Users

- Other Residual Liabilities

- Sum of Grand Total reported in Columns 3, 6, and 9, excluding:
 - Loans to U.S. Banks (8141-8)
 - Loans to U.S. NBFIs (8135-3)

Foreign Economies and Organizations	To Foreign Official Institutions			To Foreign Banks			To All Other Foreigners			Grand Total (sum of columns 1-9)	"Of Which" Item
	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities	Short-Term U.S. Treasury Obligations	Negotiable CDs & All Short-Term Negotiable Securities	Other Custody Liabilities		
TOO00	1	2	3	4	5	6	7	8	9	10	11
GRAND TOTAL											
MEMORANDUM ITEMS											
TOTAL U.S. - RESIDENT BANK DEBT	3333.7										
LOANS TO U.S. BANKS	3343.9										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. BANKS OTHER THAN (IN NAME) NEGOTIABLE NEGOTIABLE (CD)	3343.4										
TOTAL U.S. GENERAL GOVERNMENT DEBT	3346.2										
TOTAL U.S. AGENCY DEBT	3346.9										
DEBT OF U.S. - RESIDENT NON-BANK FINANCIAL INSTITUTIONS (NBFI)	3374.9										
LOANS TO U.S. NBFIs	3375.3										
SHORT-TERM NEGOTIABLE SECURITIES ISSUED BY U.S. NBFIs	3376.5										

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TIC BL-2 Common Reporting Errors

Common Reporting Errors

- Excluding Negotiable CDs from "Total Bank Debt" row
- Excluding state and local government debt from "Total General Government Debt" row (8144-2)
- Reporting Non-negotiable securities issued by reporter (TIC BL-1)
- Excluding interest, dividends, and withholding taxes on custody items, when the reporter knows the custodian does not have this information or is not reporting it on the TIC BL-2.

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Reporting Short-Term Securities

Position (U.S. dollar denominated)	Report
Claims	
Holds a foreign security for its own account	BC
Liabilities	
Issues a non-negotiable security to a foreign resident (or to anyone in a foreign market)	BL-1
Reporter issues a negotiable security (including all bearer instruments) in a foreign market (unless the security is known to be held by a U.S. custodian other than the reporter)	BL-2
Holds a negotiable or non-negotiable security issued by a U.S. resident other than itself for a foreign owner.	BL-2



FEDERAL RESERVE BANK *of* NEW YORK

TIC B Quarterly Reporting

Kate Nickle
Financial Flows Division
August 2nd, 2017

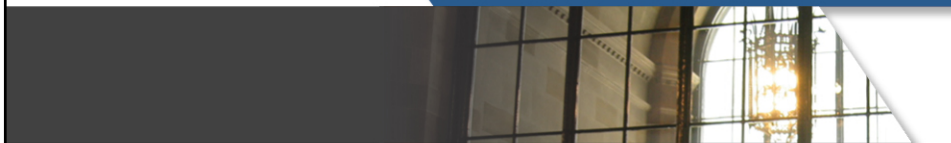
TIC B Quarterly Reporting

- Overview Of TIC BQ Reports
- TIC BQ-1
 - Reportable and Excluded Claims
 - Reporting Form
 - Common Reporting Errors
- TIC BQ-2 (Part 1)
 - Reportable and Excluded Claims and Liabilities
 - Reporting Form
 - Common Reporting Errors
- TIC BQ-2 (Part 2)
 - Reportable and Excluded Liabilities
 - Reporting Form
 - Common Reporting Errors
- TIC BQ-3 (Parts 1 and 2)
 - Reportable and Excluded Claims and Liabilities
 - Reporting Form
 - Common Reporting Errors



Overview of TIC BQ Reports

FEDERAL RESERVE BANK *of* NEW YORK



TIC BQ Reports

TIC BQ-1: Report of Customers' U.S. Dollar Claims on Foreign Residents

TIC BQ-2:

- **Part 1:** Report of Foreign Currency Liabilities and Claims of U.S. Financial Institutions, and of their Domestic Customers' Foreign Currency Claims with Foreign Residents
- **Part 2:** Report of Customers' Foreign Currency Liabilities to Foreign Residents

TIC BQ-3: Report of Maturities of Selected Claims and Liabilities of Financial Institutions with Foreign Residents

- **Part 1:** Maturities of Liabilities
- **Part 2:** Maturities of Claims



TIC BQ Reports

TIC BQ Reporting			
Report	Claim vs. Liability	Own vs. Customer	Currency Denomination
TIC BQ-1	Claims	Customer	USD
TIC BQ-2 (Part 1)	Claims and Liabilities	Own and Customer	Foreign
TIC BQ-2 (Part 2)	Liabilities	Customer	Foreign
TIC BQ-3 (Part 1)	Liabilities	Own	USD and Foreign
TIC BQ-3 (Part 2)	Claims	Own	USD and Foreign



Who Must Report

- Banks
- Bank Holding Companies (BHC), Financial Holding Companies (FHC) and Savings and Loan Holding Companies (SLHC)
- Intermediate Holding Companies (IHC)
- Securities brokers and dealers
- All other financial institutions



Due Dates

- Quarterly reports
- As-of date is the last business day of each quarter (March, June, September, and December)
- Filing due date is 20 calendar days following the as-of date
- If a due date falls on a weekend or holiday, the due date is the following business day

September 2017							October 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7
3	4	5	6	7	8	9	8	9	10	11	12	13	14
10	11	12	13	14	15	16	15	16	17	18	19	20	21
17	18	19	20	21	22	23	22	23	24	25	26	27	28
24	25	26	27	28	29	30	29	30	31				

As-of date →

↑ Filing due date



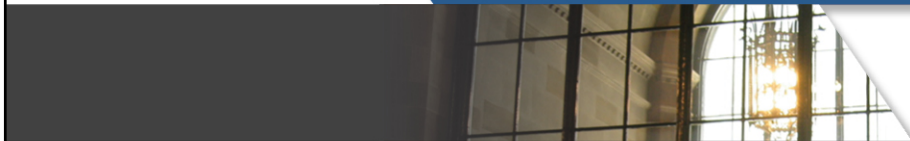
Exemption Levels

Exemption Levels for TIC Reporting		
Form/Part	Grand Total of All Geographic Areas (Row 9999-6)	Individual Country Data (any country row)
TIC BQ-1	\$50 million	\$25 million
TIC BQ-2, Part 1, Columns 1-6	\$50 million	\$25 million
TIC BQ-2, Part 2, Columns 1-3 (Row 9980-5)	\$50 million	No country limit
	Total reported data on Forms BL-1 & BQ-2, Part 1, Columns 1+2, Grand Total of all Geographic Areas (Row 9999-6)	
TIC BQ-3, Part 1	\$4 billion	No country limit
	Total reported data on Forms BC & BQ-2, Part 1, Columns 3+4, Grand Total of all Geographic Areas (Row 9999-6)	
TIC BQ-3, Part 2	\$4 billion	No country limit

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TIC BQ-1: Report of Customers' U.S. Dollar Claims on Foreign Residents

FEDERAL RESERVE BANK of NEW YORK



TIC BQ-1 – What To Report

Customers' Claims Denominated in U.S. Dollar

Any custody items, such as:

- Short-term negotiable and non-negotiable debt securities issued by a foreign resident
- Foreign resident-issued securities that have been temporarily “transferred out” by U.S. residents under repurchase agreements
- Negotiable certificates of deposit of any maturity issued by a foreign resident
- Asset/Fund managers should include assets under management as a custody item, unless the asset is held by a U.S.-resident custodian

Claims on managed offices

- Offices for which a majority of the responsibility for business decisions, or the responsibility for recordkeeping for the foreign office resides at the reporter



TIC BQ-1 – What To Report

Funds placed overseas

- Claims of U.S. residents on foreign offices of the reporter resulting from the reporter's transfers of funds from the accounts of U.S. residents on the reporter's books to the books of foreign offices under pre-arranged “sweep” agreements

Brokerage balances

- Cash balances in brokerage and margin accounts



TIC BQ-1 – Exclusions

- Long-term securities (reported on TIC S)
- Assets (including assets held in custody for customers) that have been temporarily received as collateral under resale agreements or similar financing agreements
- Foreign currency-denominated claims (reported on TIC BQ-2)
- Short-term securities held in your own security portfolio or trading account
- Administrative agents for syndicated loans should exclude loans to foreign borrowers by U.S. creditors



TIC BQ-1 – Columns

Claims of Reporter's Domestic Customers on Foreign Residents				
Non-Negotiable Foreign Deposits	Negotiable CDs	All Short-Term Negotiable Securities	Other Claims	GRAND TOTAL (sum of columns 1 - 4)
1	2	3	4	5

- Column 1: Non-Negotiable Foreign Deposits
- Column 2: Negotiable CDs
- Column 3: Short-Term Negotiable Securities
- Column 4: Other Claims
- Column 5: Grand Total



TIC BQ-1 – Column 1

Non-Negotiable Foreign Deposits

- Transfers of funds on the account of U.S. residents on the reporter's books to the books of foreign residents as a deposit under pre-arranged "sweep" agreements
 - Exclude any funds transferred into non-deposit accounts (loans) at foreign offices under sweep agreements
- Deposits of U.S. residents (other than those subject to TIC B reporting) that are held at managed foreign offices of the reporter
- Brokerage balances of U.S. residents placed abroad



TIC BQ-1 – Column 2

Negotiable CDs

- U.S. residents' holdings of negotiable certificates of deposit of any maturity issued by foreign banks



TIC BQ-1 – Column 3

Short-Term Negotiable Securities

- U.S. residents' holdings of short-term negotiable securities issued by foreign residents

- This includes:
 - Treasury bills
 - Short-term agency securities
 - Commercial and financial paper
 - Discounted bankers' acceptances
 - Short-term notes



TIC BQ-1 – Column 4

Other Claims

- Transfers of funds on the account of U.S. residents on the reporter's books to the books of foreign residents into non-deposit accounts (loans) under pre-arranged "sweep" agreements

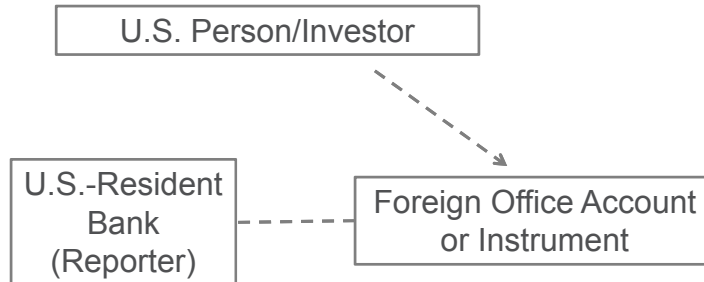
- U.S.-resident loans to managed foreign offices

- Short-term non-negotiable securities issued by foreign residents

- Resale agreements



TIC BQ-1 – Sweep Agreements



As a result of the sweep, the U.S. person/investor has a cross-border claim on the foreign office of the U.S.-resident bank



TIC BQ-1 – “Of Which” Rows

"OF WHICH" ITEMS:

COMMERCIAL PAPER	8161-2
CLAIMS OF U.S.BANKS	8163-9
CLAIMS OF U.S.-RESIDENT NON-BANK FINANCIAL INSTITUTIONS	8134-5

- Commercial Paper (8161-2)
- Claims of U.S. Banks (8163-9)
- Claims of U.S.-Resident Non-Bank Financial Institutions (NBFIs) (8134-5)



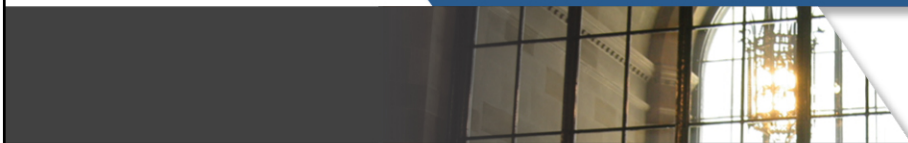
TIC BQ-1 – Common Reporting Errors

- Excluding claims on managed foreign offices
- Excluding funds of U.S. customers transferred overseas under pre-arranged sweep agreements
- Including securities issued by U.S. branches/agencies of foreign residents.



TIC BQ-2 (Part 1): Report of Foreign Currency Liabilities and Claims of U.S. Financial Institutions, and of their Domestic Customers' Foreign Currency Claims with Foreign Residents

FEDERAL RESERVE BANK *of* NEW YORK



TIC BQ-2 (Part 1) – Columns

Reporter's Own Liabilities and Claims				Claims of Reporter's Domestic Customers		Grand Total (sum of columns 1 – 6)
Liabilities to Foreigners		Claims on Foreigners		Non-Negotiable Foreign Deposits	Other Customers' Claims	
Non-Negotiable Deposits	Other Liabilities	Non-Negotiable Foreign Deposits	Other Claims			
1	2	3	4	5	6	7

Reporter's Own Liabilities to Foreigners

- Column 1: Non-Negotiable Deposits
- Column 2: Other Liabilities

Reporter's Own Claims on Foreigners

- Column 3: Non-Negotiable Foreign Deposits
- Column 4: Other Claims

Claims of Reporter's Domestic Customers

- Column 5: Non-Negotiable Foreign Deposits
- Column 6: Other Customers' Claims

Grand Total: Column 7



TIC BQ-2 (Part 1) – What to Report – Columns 1 & 2

Reporter's Own Liabilities Denominated in a Foreign Currency

- Non-negotiable deposits of any maturity
- Non-negotiable certificates of deposits
- Brokerage balances
- Overdrawn deposit accounts
- Loans of any maturity
- Short-term non-negotiable securities
- Repurchase agreements and other similar financing agreements
- Insurance technical reserves (pre-paid insurance premiums)
- Accrued interest payables



TIC BQ-2 (Part 1) – Exclusions – Columns 1 & 2

- Long-term securities (reported on TIC S)
- Negotiable certificates of deposit
- Negotiable short-term securities
- Contingent liabilities
- Derivatives
- Spot foreign exchange contracts



TIC BQ-2 (Part 1) – Exclusions – Columns 1 & 2

- Precious metals and currencies held in the respondent's vaults for foreign residents, in transit to or from the U.S., or held outside the U.S. for the respondent's account or the account of the respondent's customers located in the U.S.
- U.S. dollar-denominated liabilities (reported on TIC BL-1)
- Foreign residents' deposits or brokerage balances swept into money market or other mutual funds (reported on TIC S)
- Securities lending agreements in which one security is lent in return for another



TIC BQ-2 (Part 1) – What to Report – Columns 3 & 4

Reporter's Own Claims Denominated in a Foreign Currency

- Deposit balances due from banks of any maturity
- Non-negotiable certificates of deposit
- Brokerage balances
- Customers' overdrawn accounts
- Loans and loan participations of any maturity
- Resale agreements and other similar financing agreements
- Reinsurance recoverables
- Short-term negotiable and non-negotiable securities
- Money market instruments with an original maturity of one year or less
- Assets Under Management (unless held by a U.S. custodian)
- Accrued interest receivables



TIC BQ-2 (Part 1) – Exclusions – Columns 3 & 4

- Long-term securities (reported on TIC S)
- U.S. dollar-denominated claims (reported on TIC BC)
- Precious metals and currencies in transit to or from the U.S. or held outside the U.S. for the account of the reporter
- Credit commitments
- Derivatives
- Spot foreign exchange contracts
- Securities borrowing agreements in which one security is borrowed in return for another



TIC BQ-2 (Part 1) – What to Report – Columns 5 & 6

Customers' Claims Denominated in a Foreign Currency

- Any custody items, such as:
 - Short-term debt securities issued by a foreign resident
 - Foreign resident-issued securities that have been temporarily “transferred out” by U.S. residents under repurchase agreements
 - Foreign resident-issued negotiable certificates of deposit
- Claims of managed offices
- Funds placed overseas
 - Claims of U.S. residents on foreign offices of the reporter resulting from the reporter’s transfers of funds from the accounts of U.S. residents on the reporter’s books to the books of foreign offices under pre-arranged “sweep” agreements
- Brokerage balances



TIC BQ-2 (Part 1) – Exclusions – Columns 5 & 6

- Long-term securities (reported on TIC S)
- U.S. dollar-denominated claims (reported on TIC BQ-1)
- Short-term securities held in your own security portfolio or trading account (reported in columns 3 and 4 of this report)
- Assets, including short-term securities held in custody for customers, which have been temporarily received as collateral under resale agreements or similar financing agreements
- Administrative agents for syndicated loans should exclude loans to foreign borrowers by U.S. creditors



TIC BQ-2 (Part 1) – “Of Which” Items

TOTAL IBF LIABILITIES/ASSETS	8300-3	}
DENOMINATED IN CANADIAN DOLLARS	8500-1	
DENOMINATED IN EUROS	8500-2	
DENOMINATED IN STERLING	8500-3	
DENOMINATED IN YEN	8500-4	
DENOMINATED IN SWISS FRANCS	8500-5	}
NEGOTIABLE CDS	8110-8	
SHORT-TERM NEGOTIABLE SECURITIES	8120-5	
REPURCHASE RESALE AGREEMENTS	8400-7	}
UNPAID INSURANCE CLAIMS AND PREPAID INSURANCE PREMIUMS	8132-9	
LIABILITIES TO AND CLAIMS ON FOREIGN-RESIDENT BANKS	8138-8	}
LIABILITIES TO AND CLAIMS ON FOREIGN-RESIDENT NON-BANK FINANCIAL INSTITUTIONS	8133-7	



TIC BQ-2 (Part 1) – Common Reporting Errors

- Excluding accrued interest receivable/payable from “Other Claims/Liabilities”
- Excluding reportable foreign currency denominated items
- Reporting in the foreign currency denomination



TIC BQ-2 (Part 2): Report of Customers' Foreign Currency Liabilities to Foreign Residents

FEDERAL RESERVE BANK of NEW YORK

TIC BQ-2 (Part 2) – Columns

Liabilities of Reporter's Domestic Customers			
Negotiable CDs	All Short-Term Negotiable Securities	Other Liabilities	Grand Total (Sum of Columns 1 - 3)
1	2	3	4

- Negotiable CDs (Column 1)
- All Short-Term Negotiable Securities (Column 2)
- Other Liabilities (Column 3)
- Grand Total (Column 4)

TIC BQ-2 (Part 2) – What to Report

Customers' Liabilities Denominated in a Foreign Currency

- Any custody items, such as:
 - Short-term negotiable and non-negotiable debt securities
 - Securities that have been temporarily “transferred out” by foreign residents under repurchase agreements
 - Negotiable certificates of deposit of any maturity issued by either the reporter or another U.S. resident depository institution and held by the reporter for foreign residents
 - Asset/Fund managers should include assets under management as a custody item, unless the asset is held by a U.S.-resident custodian

- Liabilities to managed foreign offices



TIC BQ-2 (Part 2) – What to Report

- Loans placed overseas
 - Foreign holdings of loans and loan participations to U.S. residents that are serviced by the reporter
 - Liabilities of U.S. residents to foreign residents from loan syndications in which the reporter is the administrative agent
 - Except when pooled into CLOs, because these should be reported by the U.S. CLO Trustee

- Reporter's foreign issued securities
 - Short-term negotiable securities issued by the reporter directly in a foreign market where no U.S. custodian (other than the reporter) is used



TIC BQ-2 (Part 2) – Exclusions

- Long-term securities (reported on TIC S)
- Precious metals and currencies held in reporter's vaults for foreign residents
- Assets, including short-term securities held in custody for customers, which have been temporarily received by foreign residents as collateral under resale agreements or similar financing agreements
- U.S. dollar-denominated liabilities (reported on TIC BL-2)
- Short-term non-negotiable securities issued by your own institution



TIC BQ-2 (Part 2) – Common Reporting Errors

- Including assets which have been temporarily received by foreign resident as collateral under resale agreements or similar agreements
- Including U.S. dollar denominated liabilities
- Reporting in the foreign currency denomination



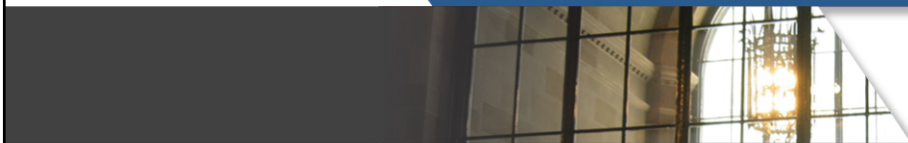
TIC B Comparison

The Reporting of Short-Term Securities		
Situation	Dollar-denominated	Foreign currency-denominated
Claims		
Reporter holds a foreign security for its own account	BC	BQ-2, Part 1
Reporter holds a foreign security for the account of another institution/person	BQ-1	BQ-2, Part 1
Liabilities		
Reporter issues a non-negotiable security to a foreign resident (or to anyone in a foreign market)	BL-1	BQ-2, Part 1
Reporter issues a negotiable security (including all bearer instruments) in a foreign market (unless the security is known to be held by a U.S. custodian other than the reporter)	BL-2	BQ-2, Part 2
Reporter holds a negotiable or non-negotiable security issued by a U.S. resident than other than itself, for a foreign owner	BL-2	BQ-2, Part 2



TIC BQ-3: Report of Maturities of Selected Claims and Liabilities of Financial Institutions with Foreign Residents

FEDERAL RESERVE BANK of NEW YORK



TIC BQ-3 – What to Report

PART 1: LIABILITIES ON FOREIGN RESIDENTS- REMAINING MATURITIES

Non-Negotiable Foreign Deposits & Brokerage Balances [reported on BL-1 (cols. 1,3,5) & BQ-2, Part 1 (col. 1)]	Repurchase Agreements & Other Liabilities [reported on BL-1 (cols. 2,4,6) & BQ-2, Part 1 (col. 2)]	Loan Liabilities Excluding Repurchase Agreements [reported on BL-1 (cols. 2,4,6) & BQ-2, Part 1 (col. 2)]	GRAND TOTAL (sum of columns 1 - 3)
1	2	3	4

PART 2: CLAIMS ON FOREIGN RESIDENTS- REMAINING MATURITIES

Non-Negotiable Foreign Deposits & Brokerage Balances [reported on BC (col. 1) & BQ-2, Part 1 (col. 3)]	Resale Agreements & Other Claims [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)]	Loan Claims Excluding Resale Agreements [reported on BC (cols. 3, 5) & BQ-2, Part 1 (cols. 4)]	GRAND TOTAL (sum of columns 1 - 3)
1	2	3	4

- Report all claims and liabilities of the various types contained on the reporter's BC, BL-1, and BQ-2 (Part 1) forms for the same as-of date, by remaining maturity
- Do not include negotiable securities or negotiable CDs



TIC BQ-3 (Part 1) – Liabilities

Non-Negotiable Deposits & Brokerage Balances (Column 1)

- Grand Total (row 9999-6) of columns 1, 3, and 5 of the BL-1
- Grand Total (row 9999-6) of column 1 of the BQ-2, Part 1

Repurchase Agreements and Other Liabilities (Column 2)

- Repurchase Agreements (row 8400-7) of the BL-1
- Repurchase Agreements (row 8400-7) of the BQ-2, Part 1
- All other liabilities reported in columns 2, 4, and 6 of the BL-1 and in column 2 of the BQ-2, Part 1 other than loan liabilities

Loan Liabilities (Column 3)

- All loans (excluding repurchase agreements) reported in columns 2, 4, and 6 of the BL-1 and in column 2 of the BQ-2, Part 1



TIC BQ-3 (Part 1) – Columns

PART 1: LIABILITIES ON FOREIGN RESIDENTS- REMAINING MATURITIES

Non-Negotiable Foreign Deposits & Brokerage Balances [reported on BL-1 (cols. 1,3,5) & BQ-2, Part 1 (col. 1)]	Repurchase Agreements & Other Liabilities [reported on BL-1 (cols. 2,4,6) & BQ-2, Part 1 (col. 2)]	Loan Liabilities Excluding Repurchase Agreements [reported on BL-1 (cols. 2,4,6) & BQ-2, Part 1 (col. 2)]	GRAND TOTAL (sum of columns 1 - 3)
1	2	3	4

Demand Deposits	8010-1
Arrears	8020-9
Non-Interest Paying Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8030-6
Other Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8040-3
Other , 90 Days or Less	8051-9
Over 90 Days to 180 Days	8052-7
Over 180 Days to 270 Days	8053-5
Over 270 Days to 1 Year	8054-3
Over 1 Year to 2 Years	8055-1
Over 2 Years	8057-8

→ Non-Interest Bearing

→ Interest Bearing

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TIC BQ-3 (Part 2) – Claims

Non-Negotiable Deposits & Brokerage Balances (Column 1)

- Grand Total (row 9999-6) of column 1 of the BC
- Grand Total (row 9999-6) of column 3 of the BQ-2, Part 1

Resale Agreements and Other Claims (Column 2)

- Grand Total (row 9999-6) of column 9 of the BC
- Resale Agreements (row 8400-7) of column 4 of the BQ-2, Part 1
- All other claims reported in columns 3 and 5 of the BC and in column 4 of the BQ-2, Part 1 other than loan claims

Loan Claims Excluding Resale Agreements (Column 3)

- All loans (excluding resale agreements) reported in columns 3 and 5 of the BC and in column 4 of the BQ-2, Part 1

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TIC BQ-3 (Part 2) – Columns

PART 2: CLAIMS ON FOREIGN RESIDENTS- REMAINING MATURITIES

Non-Negotiable Foreign Deposits & Brokerage Balances [reported on BC (col. 1) & BQ-2, Part 1 (col. 3)]	Resale Agreements & Other Claims [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)]	Loan Claims Excluding Resale Agreements [reported on BC (cols. 3, 5) & BQ-2, Part 1 (cols. 4)]	GRAND TOTAL (sum of columns 1 - 3)
1	2	3	4

Demand Deposits, Arrears, Resale Agreements Under Continuing Contract, and Items With No Fixed Maturity	8139-6
Maturing in 1 Year or Less	8143-4
Maturing in Over 1 Year	8147-7



TIC BQ-3 – Common Reporting Errors


- Including loan liabilities in column 2, “Repurchase Agreements & Other Liabilities” on the BQ-3 (Part 1); and loan claims in column 2, “Resale Agreements & Other Claims” on the BQ-3 (Part 2)
- Including repurchase agreements in column 3, “Loan Liabilities Excluding Repurchase Agreements” on the BQ-3 (Part 1); and resale agreements in column 3, “Loan Claims Excluding Resale Agreements” on the BQ-3 (Part 2)
- Misstating the time remaining to maturity rows





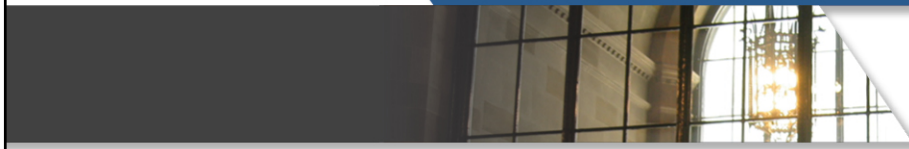
TIC D

- TIC D Data
- Overview Of TIC D Report
- Reporting Derivative Contracts
- Common Reporting Errors



TIC D Data

FEDERAL RESERVE BANK *of* NEW YORK



TIC D Data

Purpose of the TIC D Form:

The purpose of the TIC D form is to gather timely and reliable information on the levels of and changes in U.S. international portfolio capital positions due to cross-border holdings of derivative contracts and the net settlement payments that arise from these contracts.

TIC D Data

Purpose of the TIC D Form:

The information is used for the preparation of:

- U.S. Balance of Payments Accounts
- U.S. International Investment Position
- Formulation of U.S. international financial and monetary policies



TIC D Data

Balance of Payments

- Transactions that generate a receipt of funds into the United States are recorded with a credit (positive) entry.
- Transactions that generate payments of funds to foreign residents are recorded as debit (negative) entries.

March 21, 2

Table 1. U.S. International Transactions—Continues

Line	[Millions of dollars]									
	2015	2016*	Change: 2015 to 2016	Seasonally adjusted					Change: 2016 III to 2016 IV	
				2015	I*	II*	III*	IV*		
94	33,406	24,912	-8,494	23,621	-40,969	96,940	-42,389	11,330	53,719	
95	-282,713	28,891	311,404	-186,267	84,376	79,639	-39,784	-65,541	-55,757	
96	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
97	14,169	9,568	-4,581	-558	4,662	4,805	-1,917	2,038	3,955	
98	0	0	0	0	0	0	0	0	0	
99	-28,392	21,951	47,343	12,353	12,994	2,904	6,500	-447	-6,947	
	Statistical discrepancy									
100	267,780	74,802	-192,978	91,620	86,069	76,739	-108,394	20,387	128,781	
	Balances									
101	-462,965	-481,206	-18,241	-113,406	-133,072	-119,745	-116,007	-112,382	3,625	
102	-500,361	-500,990	-629	-124,209	-126,204	-125,906	-118,230	-132,320	-16,090	
103	-762,565	-749,926	12,639	-168,404	-187,343	-187,789	-178,652	-198,142	-17,490	
104	262,203	249,985	-12,218	84,195	81,139	81,983	62,422	83,822	1,400	
105	182,305	180,591	-1,714	47,115	33,759	43,791	41,505	61,457	19,872	
106	-144,998	-161,237	-16,239	-36,312	-40,627	-37,730	-41,361	-41,519	-159	
107	-42	-9	33	0	-58	0	-1	0	1	
108	-463,007	-481,265	-18,258	-113,406	-133,130	-119,745	-116,008	-112,382	3,625	
109	-195,227	-406,463	-211,236	-21,786	-47,061	-43,006	-224,402	-91,995	132,407	

Bureau of Economic Analysis
U.S. Department of Commerce



TIC D Data

Name of Reporting Institution _____ ID Number _____ As-of Date _____ TIC Form D Page 2 of 10

Part 1 -- Holdings of, and Transactions in, Derivatives Contracts with Foreign-Residents			
Derivatives Contracts By Major Risk Category	Fair Value of Derivatives Contracts with Foreign Residents at End of Quarter	U.S. Net Settlements During the Quarter with Foreign Residents	
		Gross Positive 1	Gross Negative 2
(In \$ millions)			
Over-the-Counter Contracts			
1 Single Currency Interest Rate Contracts	86010		
1.a Forwards	86011		
1.b Swaps	86012		
1.c Options	86013		
2 Foreign Exchange Contracts	86020		
2.a Forwards and Foreign Exchange Swaps	86021		
2.b Currency Swaps	86022		
2.c Options	86023		
3 Other Contracts By Type of Risk	86030		
3.a Equity	86031		
3.b Credit	86032		
3.c Other	86033		
Exchange-Traded Contracts			
4 Own Derivatives Contracts on Foreign Exchanges	86041		
5 U.S. Customers' Derivatives Contracts on Foreign Exchanges	86042		
6 Foreign Counterpart Derivatives Contracts on U.S. Exchanges	86043		
7 Grand Total	86099		
Of Which:			
M.1 Contracts with Own Foreign Offices	86050		
M.2 Contracts with Foreign Official Institutions	86052		



TIC D Data

USD Billions

U.S. International Transactions Financial Derivatives, Net



Bureau of Economic Analysis
U.S. Department of Commerce



TIC D Data

The International Investment Position is the value of U.S.-owned assets abroad and foreign-owned assets in the United States.

Table A. Quarterly Change in the U.S. Net International Investment Position
Billions of dollars, not seasonally adjusted

	Position, 2016:III	Change in position in 2016:IV			Position, 2016:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-7,807.3	-302.3	-113.1	-189.2	-8,109.7
Net international investment position excluding financial derivatives	-7,862.5	-308.4	-112.7	-195.7	-8,171.0
Financial derivatives other than reserves, net	55.2	6.1	-0.4	6.6	61.3
U.S. assets	24,871.4	-954.8	(²)	(²)	23,916.7
Assets excluding financial derivatives	22,096.4	-388.7	-103.1	-285.6	21,707.7
Financial derivatives other than reserves, gross positive fair value	2,775.1	-566.1	(²)	(²)	2,209.0
U.S. liabilities	32,678.8	-652.5	(²)	(²)	32,026.3
Liabilities excluding financial derivatives	29,958.9	-80.3	9.6	-89.9	29,878.6
Financial derivatives other than reserves, gross negative fair value	2,719.9	-572.2	(²)	(²)	2,147.7

Bureau of Economic Analysis
U.S. Department of Commerce

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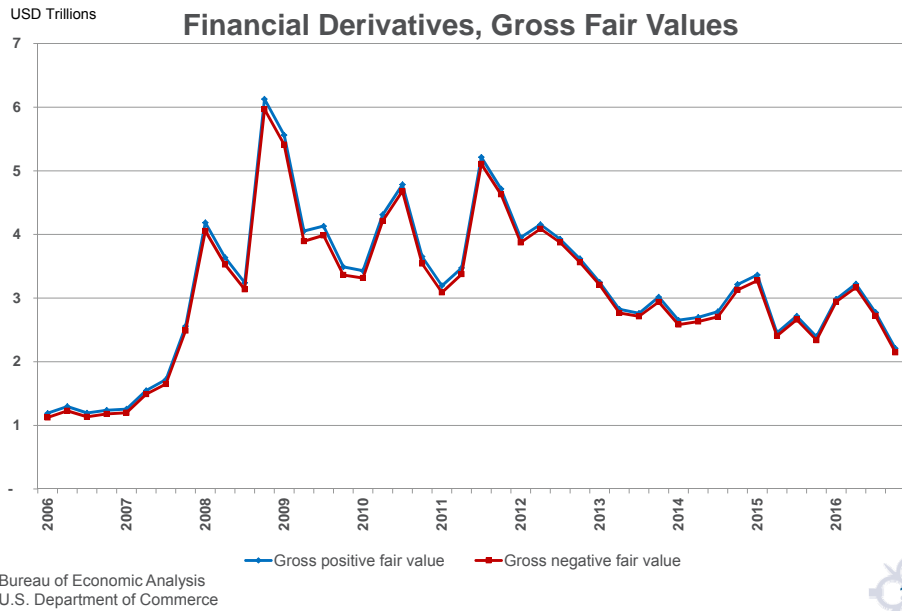
TIC D Data

⁹ Name of Reporting Institution _____ ID Number _____ As-of Date _____ TIC Form D Page 2 of 10

Part 1 -- Holdings of, and Transactions in, Derivatives Contracts with Foreign-Residents				
Derivatives Contracts By Major Risk Category		Fair Value of Derivatives Contracts with Foreign Residents at End of Quarter		U.S. Net Settlements During the Quarter with Foreign Residents
		Gross Positive 1	Gross Negative 2	
(In \$ millions)				
Over-the-Counter Contracts				
1	Single Currency Interest Rate Contracts	86010		
1.a	Forwards	86011		
1.b	Swaps	86012		
1.c	Options	86013		
2	Foreign Exchange Contracts	86020		
2.a	Forwards and Foreign Exchange Swaps	86021		
2.b	Currency Swaps	86022		
2.c	Options	86023		
3	Other Contracts By Type of Risk	86030		
3.a	Equity	86031		
3.b	Credit	86032		
3.c	Other	86033		
Exchange-Traded Contracts				
4	Own Derivatives Contracts on Foreign Exchanges	86041		
5	U.S. Customers' Derivatives Contracts on Foreign Exchanges	86042		
6	Foreign Counterpart Derivatives Contracts on U.S. Exchanges	86043		
7	Grand Total	86099		
Of Which:				
M.1	Contracts with Own Foreign Offices	86050		
M.2	Contracts with Foreign Official Institutions	86052		

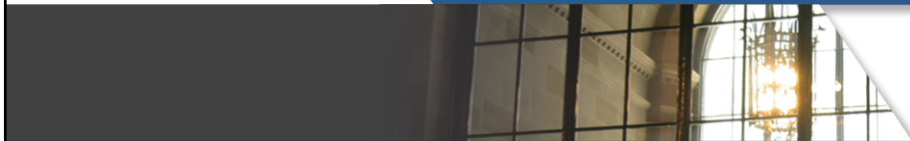
170

TIC D Data



Overview Of TIC D Report

FEDERAL RESERVE BANK of NEW YORK



Overview Of TIC D Report

Who Must Report:

- All entities resident in the United States that have derivatives contracts that exceed the exemption level should complete all parts of the TIC D Form.

Exception Level, TIC D must be submitted if:

- The total notional value of worldwide holdings of derivatives (include contracts with U.S. and foreign residents, measured on a consolidated-worldwide accounting basis for the reporter's own account exceeds \$400 billion.

OR

- The amount reported by a TIC D reporter for Grand Total Net Settlements (Part 1, Column 3, Row 7) exceeds \$400 million (either a positive or negative value).



Overview Of TIC D Report

Reporting Exemption Level Example:

Institution has \$400 billion in notional amounts of derivatives in March, but its contracts fall below that afterwards.

- Once an institution meets the reporting threshold, it must continue to report for the rest of the same year and for the following calendar year.

TIC D reporter's Grand Total Net Settlements (Part 1, Column 3, Row 7) exceeds \$400 million (either a positive or negative value)

- The TIC D should be submitted for the following two calendar years, even if outstanding worldwide notional values fall below the \$400 billion level.



Overview Of TIC D Report

What Should be Reported

- Contracts are reportable on the TIC D if it meets the three criteria of ASC 815 (*Derivatives and Hedging*) of a derivative contract.
 1. One or more underlying and one or more notional value
 2. Requires immaterial or no initial net investment
 3. Requires or permits net settlement



Overview Of TIC D Report

Reportable Derivatives and Counterparty Location

- Positions should be reported for the country or geographical area in which the direct counterparty resides.
- Branches of U.S. residents located outside the United States are foreign residents. U.S. resident branches of foreign banks are U.S. residents.
- Do not report based on the currency denomination of the instrument, country of parent institution, country of issuance or the guarantor.



Overview Of TIC D Report

Location of Foreign Counterparties (Cont.)

- The gross fair values and net settlement payments on the Grand Totals of Part I should be allocated on Part II according to the country of the direct counterparty.
- Contracts of your foreign-resident customers on U.S. exchanges should be reported opposite the country in which the foreign customer resides.
- In the cases of your and your U.S. customers' contracts on foreign exchanges, report the country of the exchange as the country of the foreign counterparty.



Overview Of TIC D Report

Location of Foreign Counterparties (Cont.)

- Do not combine, aggregate or net the fair value of a contract with the fair value of other derivatives
- Only the contracts held on the books of U.S. offices and branches should be reported.



Overview Of TIC D Report

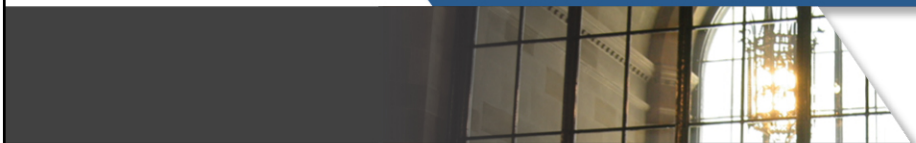
Consolidation Rules

- The top-tier U.S. entity should report the TIC Form D.
- U.S. resident subsidiaries should be consolidated on the same basis as annual reports and in accordance with GAAP.
- U.S. resident subsidiaries or branches of foreign entities who own more than one legal entity in the U.S. should report separately for each top-tier U.S. entity.



Reporting Derivative Contracts

FEDERAL RESERVE BANK *of* NEW YORK



Reporting Derivative Contracts

Part 1 – Holdings of, and Transactions in, Derivatives Contracts with Foreign- Residents			
Derivatives Contracts By Major Risk Category	Fair Value of Derivatives Contracts with Foreign Residents at End of Quarter		U.S. Net Settlements During the Quarter with Foreign Residents
	Gross Positive	Gross Negative	
	1	2	3

- The report is separated into 3 types of information by column.
 - Gross Positive Fair Value
 - Gross Negative Fair Value
 - U.S. Net Settlements



Reporting Derivative Contracts

Fair Value

- Holdings of derivatives should be reported at fair (market) value.
- Fair value is defined as the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants (not a forced liquidation or distressed sale) in the asset's or liability's principal.

Contracts are outstanding until:

- Terminated by acquisition or delivery of the underlying financial instruments
- Futures contracts, by offsets
- Standby contracts and other option arrangements, by expiring unexercised



Reporting Derivative Contracts

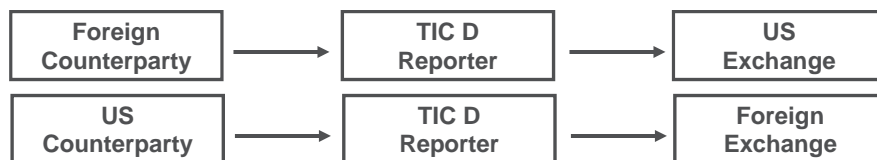
Net Settlements (Column 3)

- Include all cash receipts and payments made during the quarter for the acquisition, sale, or final closeout of derivatives.
- Do not report payments in the case of physical delivery when the underlying commodity or security is delivered.



Reporting Derivative Contracts

Net Settlements (Column 3)

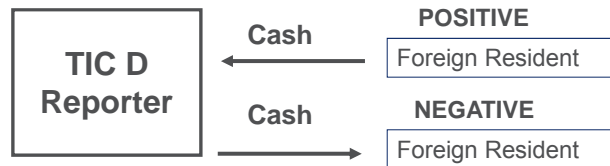


- Reportable - Future contract entered into for a foreign customer on US exchange or U.S. customer on foreign exchange
- All positions and net settlements should be reported from the perspective of the U.S. exchange. Thus, positions of your foreign customers on U.S. exchanges should be reported from the perspective of the U.S. exchange and not your foreign customer.



Reporting Derivative Contracts

Cash Receipts and Payments

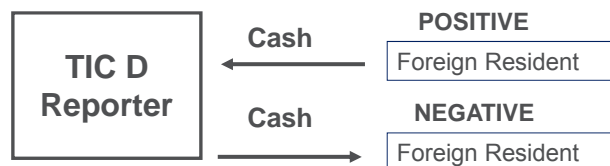


- U.S. receipts of cash from foreign residents should be treated as a positive amount (+)
- U.S. payments of cash to foreign residents should be treated as a negative amount (-)



Reporting Derivative Contracts

Cash Receipts and Payments



- Cash settlement of a derivatives contract, such as a forward.
- Periodic payments under the terms of a contract, such as a swap agreement.
- Daily payments or receipts (variation margin) of an exchange-traded contract.



Common Reporting Errors


FEDERAL RESERVE BANK *of* NEW YORK

Common Reporting Errors

- Inconsistent definition of derivatives across reports.
- Including contracts that do not meet ASC 815 (Derivatives and Hedging) definition of derivatives
- Reporting derivative contracts with foreign central counterparties (CCP) as exchange traded (instead of OTC).

Common Reporting Errors

- Reporting positions and net settlements from the perspective of the foreign customer
 - Positions of your foreign customers on U.S. exchanges should be reported from the perspective of the U.S. exchange and not your foreign customer.
- Filing the TIC D through a lower tier U.S. entity. Only the top tier entity should file the TIC D form. However, foreign banking organizations that establish more than one legal entity in the U.S. should report for each top tier U.S. entity



FEDERAL RESERVE BANK *of* NEW YORK

TIC CQ-1 and CQ-2 Report

Joe Hernandez
Financial Flows Division
08/02/2017

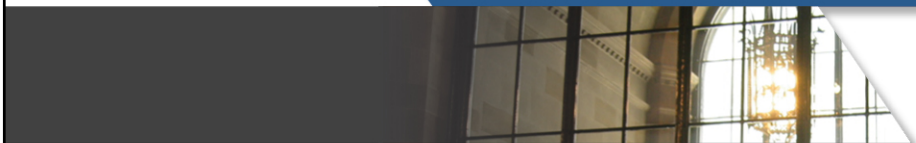
TIC CQ

- Overview Of TIC CQ Reports
- TIC CQ-1
 - Overview
 - Reportable transactions
 - Report Form
 - Common Reporting Errors
- TIC CQ-2
 - Overview
 - Reportable transactions
 - Report Form
 - Common Reporting Errors



Overview of TIC CQ Reporting

FEDERAL RESERVE BANK *of* NEW YORK



TIC CQ Overview

TIC CQ-1: Report of Financial Liabilities to, and Financial Claims on, Unaffiliated Foreign Residents

TIC CQ-2: Report of Commercial Liabilities to, and Commercial Claims on, Unaffiliated Foreign Residents



TIC CQ Overview

Who Must Report

- Commercial and industrial firms
- Exporters, importers, trading companies, and foreign sales companies
- Holding companies (non TIC B filers)
- Subsidiaries of foreign organizations (non TIC B filers)
- Non-financial proprietorships, partnerships and limited liability companies
- Non-profit organizations, charitable organizations, and foundations
- State and local governments

(Unless subs of U.S. financial institutions and data already consolidated on the TIC B reports)



TIC CQ Overview

Consolidation rules

All U.S.-resident companies that are not 50 percent or more owned by another U.S. resident company should file combined TIC C reports for themselves and all of their U.S. resident subsidiaries that are:

- 50 percent or more owned (voting securities), or an equivalent interest (control)
- Are not depository institutions, securities brokers or dealers or other financial institutions (for which TIC B reports are filed)



TIC CQ Overview

- A foreign-resident affiliate is:
 - Any foreign-resident entity for which the reporter owns 10 percent or more of its voting equity (or the equivalent);
 - Any foreign-resident “parent” company which owns 10 percent or more of the reporter’s voting equity (or the equivalent);
 - Any foreign-resident company which is a subsidiary (50 percent or more owned) of a foreign parent company of the reporter

Note: All other foreign resident entities are “*unaffiliated foreign residents*”



TIC CQ Overview

Exception Levels

The TIC CQ-1 and CQ-2 forms have separate exemption levels for liabilities (Part 1) and for claims (Part 2).

Exemption Levels for TIC Reporting		
Form / Part	Description	Exemption Level (Report if greater than or equal to the following level)
CQ 1, Part 1	Reportable Financial Liabilities to Unaffiliated Foreigners	\$50 million
CQ 1, Part 2	Reportable Financial Claims on Unaffiliated Foreigners	\$50 million
CQ 2, Part 1	Reportable Commercial Liabilities to Unaffiliated Foreigners	\$25 million
CQ 2, Part 2	Reportable Commercial Claims on Unaffiliated Foreigners	\$25 million

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TIC CQ Overview

Foreign currency positions

For foreign currency-denominated positions reported on the TIC CQ-1 and CQ-2, report the U.S. dollar equivalent of the foreign currency amounts, converted by using the closing spot exchange rate on the as-of date of the report.

Foreign Currency Memorandum Rows

For each column, report the amounts of positions that are denominated in:

- Canadian Dollars (8500-1)
- Euros (8500-2)
- British Pounds Sterling (8500-3)
- Japanese Yen (8500-4)
- Swiss Francs (8500-5)
- All Other Foreign Currencies (8500-6)

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TIC CQ Overview

- As-of date is last business day of the quarter
- Due date is 30 calendar days following the as-of date

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



TIC CQ Overview

Common Reporting Errors

- Using trade date instead of settlement date
- Reporting foreign currency units instead of U.S. dollar equivalent



TIC CQ-1: Report of Financial Liabilities to, and Financial Claims on, Unaffiliated Foreign Residents

FEDERAL RESERVE BANK *of* NEW YORK

TIC CQ-1 Overview

CQ-1 Report

- U.S. dollar and foreign currency-denominated financial liabilities to, and financial claims on, unaffiliated foreign residents

- The obligation to pay or to provide the right to receive cash or another financial asset (includes leases)
 - Except those between a purchaser and a seller of goods or services in the normal course of business (commercial liabilities)



TIC CQ-1 Reportable Transactions

TIC CQ-1 Part I, Liabilities - Reportable financial liabilities to unaffiliated foreign residents include:

- Loans of any maturity
- Repurchase and similar financing agreements of any maturity
- Overdrawn deposit account balances
- Short-term securities issued in foreign markets
- Lease payments due
- Brokerage balances
- Accrued interest payables



TIC CQ-1 Reportable Transactions

TIC CQ-1 Part 2 Reportable financial claims on unaffiliated foreign residents include:

- Loans and loan participations of any maturity
- Resale and similar financing agreements of any maturity
- Deposit balances held at foreign-resident banks of any maturity
- Negotiable and non-negotiable certificates of deposit issued by foreign-resident banks



TIC CQ-1 Reportable Transactions

Additional reportable financial Claims on unaffiliated foreign residents include:

- Short-term money markets instruments
- Other short-term securities
- Lease payments receivables
- Brokerage balances
- Accrued interest receivables



TIC CQ-1 Reportable Transactions

Specific Exclusions:

- Long-term securities (reported on TIC S form)
- Negotiable short-term securities issued by the reporter in the U.S. (reported on TIC B forms)
- Contingent liabilities or credit commitments
- Derivatives (TIC D)



TIC CQ-1 Reportable Transactions

Additional exclusions:

- Securities borrowing or lending agreements
- Commercial liabilities and claims (TIC CQ-2 form)
- Deposits and brokerage balances
- Loans made by a foreign resident (U.S. serviced)



TIC CQ-1 Report Form

Part 1 Liabilities

Short-term Negotiable Securities (Column 1)

- Short-term negotiable securities issued directly in a foreign market

Other Liabilities to Foreigners (Column 2)

- Reportable financial liabilities

Foreign Economies and Organizations	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
	Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
CODE	1	2	3	4	5	6



TIC CQ-1 Report Form

Part 2 Claims

Non-negotiable Foreign Deposits (Column 3)

- Deposits held at foreign banks
- Brokerage balances placed with foreign residents

Negotiable CDs & All ST Negotiable Securities (Column 4)

- Negotiable certificates of deposit
- Short-term negotiable securities

Foreign Economies and Organizations	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
	Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
CODE	1	2	3	4	5	6

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TIC CQ-1 Report Form

Part 2 Claims

Other Claims on Foreigners (Column 5)

- Claims other than non-negotiable foreign deposits reported in column 3
- Negotiable CDs and negotiable short-term securities reported in column 4
- Loans to foreign residents and short-term non-negotiable securities of foreign residents

Foreign Economies and Organizations	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
	Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
CODE	1	2	3	4	5	6

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TIC CQ-1 Report Form

“Of Which” Items

- Type of Instruments:
 - Borrowings/Loans (8061-4) Columns 2 and 5
 - Negotiable CDs (8110-8) Column 4
 - Repurchase/Resale Agreements (8400-7) Column 2 and 5
- Assets Written Off This Quarter (8200-9)
 - Charge-offs or specific reserves for reportable claims taken

Foreign Economies and Organizations	CODE	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
		Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
		1	2	3	4	5	6
“Of Which” Items:							
Instruments:							
BORROWINGS/LOANS	8061-4						
NEGOTIABLE CDs	8110-8						
REPURCHASE/RESALE AGREEMENTS	8400-7						
ASSETS WRITTEN OFF THIS QUARTER (Please summarize by country and column in a separate statement)	8200-9						

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TIC CQ-1 Report Form

“Of Which” Items

- Foreign Currency Memorandum Rows

Foreign Economies and Organizations	CODE	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
		Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
		1	2	3	4	5	6
Foreign Currency Items:							
DENOMINATED IN CANADIAN DOLLARS	8500-1						
DENOMINATED IN EUROS	8500-2						
DENOMINATED IN STERLING	8500-3						
DENOMINATED IN YEN	8500-4						
DENOMINATED IN SWISS FRANCS	8500-5						
DENOMINATED IN ALL OTHER FOREIGN CURRENCIES	8500-6						

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TIC CQ-1 Report Form

“Of Which” Items, Remaining Maturities - Claims

To be completed by reporters with total reportable claims of \$1 billion or more

Foreign Economies and Organizations	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
	Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
CODE	1	2	3	4	5	6

Remaining Maturities - Claims: (Complete only if total reportable claims are \$1 billion or more)

Demand Deposits, Arrears, Resale Agreements Under Continuing Contract, and Items With No Fixed Maturity	8139-6					
Maturing in 1 Year or Less	8143-4					
Maturing in Over 1 Year	8147-7					



TIC CQ-1 Report Form

“Of Which” Items, Remaining Maturities - Liabilities

To be completed by reporters with total reportable liabilities of \$1 billion or more

Foreign Economies and Organizations	Part 1 - Financial Liabilities to Foreigners		Part 2 - Financial Claims on Foreigners			Total of Columns 1-5 (for arithmetic check only)
	Short-term Negotiable Securities	Other Liabilities to Foreigners	Non-negotiable Foreign Deposits	Negotiable CDs & All Short-term Negotiable Securities	Other Claims on Foreigners	
CODE	1	2	3	4	5	6

Remaining Maturities - Liabilities: (Complete only if total reportable liabilities are \$1 billion or more)

Demand Deposits	8010-1					
Arrears	8020-9					
Non-Interest Paying Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8030-6					
Other Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8040-3					
Other, 90 Days or Less	8051-9					
Over 90 Days to 180 Days	8052-7					
Over 180 Days to 270 Days	8053-5					
Over 270 Days to 1 Year	8054-3					
Over 1 Year to 2 Years	8055-1					
Over 2 Years	8057-8					



TIC CQ-1 Common Reporting Errors

- The failure to complete the “Remaining Maturities” section
- Reporting long-term securities
- Reporting commercial liabilities and claims
- Consolidating an entity which the CQ-1 filer does not own or control

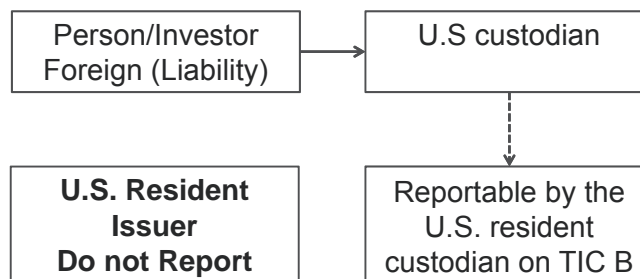


TIC CQ-1 Common Reporting Errors

Reporting with custodians

Example: A U.S. resident has a liability to a foreign resident in the form of a short term security

- A U.S. Custodian is used

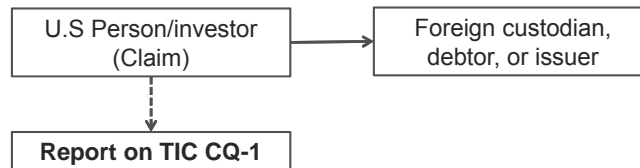


TIC CQ-1 Common Reporting Errors

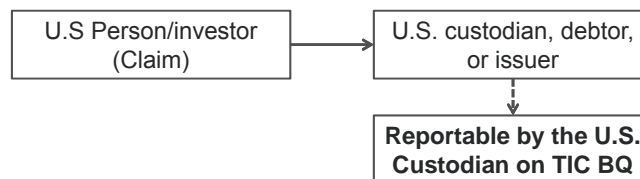
Reporting with Custodians

Example: A U.S. resident has a claim on a foreign resident in the form of a short-term security or a certificate of deposit

- Foreign custodian is used for a negotiable instrument

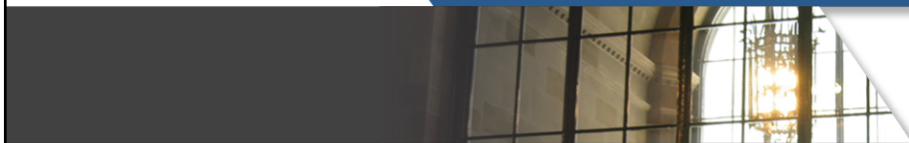


- However, if a U.S. custodian is used for a negotiable instrument



TIC CQ-2: Report of Commercial Liabilities to, and Commercial Claims on, Unaffiliated Foreign Residents

FEDERAL RESERVE BANK of NEW YORK



TIC CQ-2 Overview

TIC CQ-2 Report

- U.S. dollar and foreign currency-denominated commercial liabilities to, and claims on, unaffiliated foreign residents

Liabilities and claims between a purchaser and a seller of goods or services in the normal course of business (other than those arising from leases) are called “commercial” liabilities and claims and are reportable on the TIC CQ-2.



TIC CQ-2 Reportable Transactions

Reportable commercial liabilities to, and claims on, unaffiliated foreign residents include:

- Accounts payable and receivable
- Advance payments received for future deliveries of goods and services
- Claims on inventory held outside the United States



TIC CQ-2 Reportable Transactions

Additional commercial liabilities to, and claims on, unaffiliated foreign residents include:

- Credits due to or from a foreign resident
- Accrued liabilities and claims
- Fees due or payable



TIC CQ-2 Reportable Transactions

Specific Exclusions:

- Contingent liabilities or claims
- Liabilities and claims held for collection by U.S. banks or brokers/dealers
- Financial liabilities and claims



TIC CQ-2 Report Form

Trade Payables (Part I Liabilities, Column 1)

- Deferred payment for goods imported into the United States
- Acceptances made directly for your account
- The return of goods or cancellation of services
- Overpayments for goods or services
- Accrued liabilities for royalties and similar fees

Foreign Economies and Organizations	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
	Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
CODE	1	2	3	4	5

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TIC CQ-2 Report Form

Advance Receipts And Other Liabilities (Part 2 Liabilities, Column 2)

- All advance payments received for future deliveries of goods or services
- All other commercial liabilities

Foreign Economies and Organizations	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
	Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
CODE	1	2	3	4	5

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TIC CQ-2 Report Form

Trade Receivables (Part 2 Claims, Column 3)

- Deferred receipts from the sale of goods
- The return of goods or cancellation of service contracts
- Overpayments for goods or services
- Accrued claims for royalties and similar fees

Foreign Economies and Organizations	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
	Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
CODE	1	2	3	4	5

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TIC CQ-2 Report Form

Advance Payments And Other Claims (Part 2 Claims, Column 4)

- Advance payments made for future delivery of goods or services
- Goods that the reporter owns located in foreign countries
- All other commercial claims

Foreign Economies and Organizations	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
	Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
CODE	1	2	3	4	5

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TIC CQ-2 Report Form

“Of Which” Items

- Foreign Currency Memorandum Rows

Foreign Economies and Organizations	CODE	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
		Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
		1	2	3	4	5
Foreign Currency Items:						
DENOMINATED IN CANADIAN DOLLARS	8500-1					
DENOMINATED IN EUROS	8500-2					
DENOMINATED IN STERLING	8500-3					
DENOMINATED IN YEN	8500-4					
DENOMINATED IN SWISS FRANC	8500-5					
DENOMINATED IN ALL OTHER FOREIGN CURRENCIES	8500-6					



TIC CQ-2 Report Form

“Of Which” Items, Remaining Maturities - Claims

To be completed by reporters with total reportable claims of \$200 million or more

Foreign Economies and Organizations	CODE	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
		Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
		1	2	3	4	5

Remaining Maturities (claims): (Complete only if Reportable claims are \$200 million or more)

Items With No Fixed Maturity	P					
Maturing in 1 Year or Less	P					
Maturing in Over 1 Year	P					



TIC CQ-2 Report Form

“Of Which” Items, Remaining Maturities - Liabilities

To be completed by reporters with total reportable liabilities of \$200 million or more

Foreign Economies and Organizations	Part 1 - Commercial Liabilities to Unaffiliated Foreigners		Part 2 - Commercial Claims on Unaffiliated Foreigners		Total of Columns 1-4 (for arithmetic check only)
	Trade Payables	Advance Receipts And Other Liabilities	Trade Receivables	Advance Payments And Other Claims	
CODE	1	2	3	4	5

Remaining Maturities (liabilities): (Complete only if Reportable liabilities are \$200 million or more)

Arrears	8020-9					
Non-Interest Paying Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8030-6					
Other Items Without a Fixed Maturity Including Repos Under a Continuing Contract	8040-3					
Other, 90 Days or Less	8051-9					
Over 90 Days to 180 Days	8052-7					
Over 180 Days to 270 Days	8053-5					
Over 270 Days to 1 Year	8054-3					
Over 1 Year to 2 Years	8055-1					
Over 2 Years	8057-8					

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TIC CQ-2 Common Reporting Errors

- Failure to complete the “Remaining Maturities” section
- Reporting financial liabilities and claims
- Failure to complete the “Grand Total” row and columns
 - Rounding issues on grand total lines

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TFC-1, TFC-2, and TFC-3 Reporting

- Overview of TFC Reporting
- TFC Reporting Forms
- Common Reporting Errors

Overview of TFC Reporting

FEDERAL RESERVE BANK *of* NEW YORK

TFC – Overview

TFC-1: Weekly Consolidated Foreign Currency Report of Major Market Participants

TFC-2: Monthly Consolidated Foreign Currency Report of Major Market Participants

TFC-3: Quarterly Consolidated Foreign Currency Report



TFC – Overview

What it captures:

- Consolidated data on the foreign exchange contracts and positions of major market participants
- Spot, forward, futures, swaps, options, and foreign currency denominated assets and liabilities
- Currencies: U.S. dollars, Euros, Swiss francs, U.K. pounds, Japanese yen, and Canadian dollars



TFC – Use and Publication

SECTION VI—Euro Positions

TABLE FCP-VI-1—Weekly Report of Major Market Participants

[In millions of euros. Source: Treasury Foreign Currency Reporting]

Report date	Spot, forward and future contracts		Net options positions (3)	Exchange rate (Euros per U.S. dollar) (4)
	Purchased (1)	Sold (2)		
10/05/2016.....	7,179,856	7,331,254	-540	0.8932
10/12/2016.....	7,369,063	7,509,444	-356	0.9079
10/19/2016.....	7,298,382	7,456,737	-119	0.9119
10/26/2016.....	7,359,924	7,518,214	515	0.9161

- Aggregate data published quarterly in the Treasury Bulletin
- End users of TFC data include the Federal Reserve Board, the U.S. Department of the Treasury, and the Federal Reserve Bank of New York



TFC – Who Must Report

- Banks, bank holding companies and depository institutions in the United States
- Agencies, branches, and subsidiaries of foreign banks located in the United States
- Intermediate holding companies (IHCs)
- Non-financial corporations and nonprofit institutions.
- Brokers, dealers, and mutual fund, foreign exchange, and hedge fund managers
- Other entities located in the United States, whether sole proprietorships, partnerships, groups, associations, syndicates, trusts, or corporations, including the U.S. subsidiaries of foreign nonbanking concerns



TFC – Consolidation

Domestic entities

- Reporters whose top-tier parent is located in the United States should include data for all domestic and foreign subsidiaries.
- Subsidiaries should be consolidated with the parent.
- Institutions may choose to report at the level of the bank unless the holding company's foreign currency commitments, including those of its subsidiary banks, exceed those of the bank or banks by more than 2%. If this is the case, the holding company must report.



TFC – Consolidation

Reporters with foreign parents

- U.S. branches and subsidiaries of foreign entities should file only for offices located in the United States, not for their foreign parents.



TFC – Consolidation

Partial consolidation option

- Amounts reported must reflect the operations of offices which are responsible for at least 90% of all foreign currency positions.
 - Domestic reporter: worldwide operations
 - Reporter with foreign parent: domestic operations
- The 90% equation: the sum of the absolute notional value of all foreign exchange spot and derivative contracts in its global foreign exchange operations.

Check one box & Fully consolidated: or Partially (per Section C.2 of General Instructions):



TFC – Thresholds

TFC-1 and TFC-2	TFC-3
\$50 billion equivalent in notional FX contracts	\$5 billion equivalent in notional FX contracts

- All foreign exchange contracts (purchased and sold), plus one half of the notional amount of foreign exchange options
- All foreign currencies are included in the evaluation of the threshold
- Last business day of any calendar quarter during the previous year calculated using prevailing exchange rates



TFC – Thresholds

- Once the reporter has met the threshold to file, they continue to file through the calendar year, regardless of if they continue to meet the threshold

Example

Reporter meets threshold to file TFC-3 in June 2017, but is under the threshold for the rest of the year

- Reporter would file starting in March 2018
- Reporter is required to file the form until their foreign exchange contracts have remained below the threshold for a full calendar year



TFC – Due Dates

Due Dates:

- The TFC-1 report must be filed no later than noon (12:00 p.m.) on Friday following the Wednesday to which the report applies.

September 2017						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

As-of date

Filing due date



TFC – Due Dates

Due Dates:

- The TFC-2 report should be completed as of the last business day of each month and filed within 10 business days.

September 2017							October 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7
3	4	5	6	7	8	9	8	9	10	11	12	13	14
10	11	12	13	14	15	16	15	16	17	18	19	20	21
17	18	19	20	21	22	23	22	23	24	25	26	27	28
24	25	26	27	28	29	30	29	30	31				

As-of date

Filing due date



TFC – Due Dates

Due Dates:

- The TFC-3 report should be completed as of the last business day of each calendar quarter (March, June, September, and December) and filed within 45 calendar days.

September 2017							November 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2				1	2	3	4
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30		

↑
As-of date
↑
Filing due date



TFC – Submission

- All reports submitted to Federal Reserve Bank of New York, unless otherwise instructed
- File electronically through Reporting Central, or through fax, hand delivery, or mail



TFC – Reporting

- Two sides to every foreign exchange contract: the currency that is being purchased, and the currency that is being sold
- Both sides of the contract should be reported in their respective column/row on the TFC forms
- Reported on a gross basis
- Report notional amounts
- Report all positions in their original currency denomination



TFC – Reporting

Example #1

A contract involving the purchase of Euros against the sale of UK pounds

- Report UK pounds side in column 4
- Report Euros side in column 2

Example #2

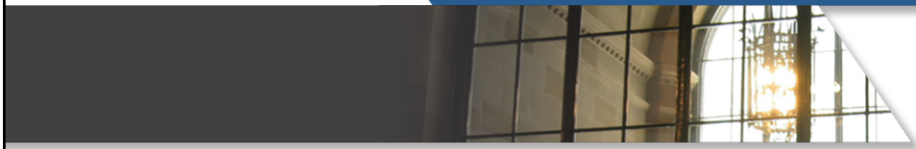
A contract involving the purchase of Euros against the sale of Mexican pesos

- Report Euros side in column 2
- Do not report Mexican pesos side



TFC Forms

FEDERAL RESERVE BANK of NEW YORK



TFC-1 Form

Check one box Fully consolidated: or Partially (per Section C.2 of General Instructions):

Categories	(1) U.S. DOLLARS	(2) EUROS	(3) SWISS FRANCS	(4) U.K. POUNDS	(5) JAPANESE YEN	(6) CANADIAN DOLLARS
(1) Foreign exchange spot, forward, and futures purchased						
(2) Foreign exchange spot, forward, and futures sold						
(3) Net options position Fair Value, long or (short)						

- Everything reported in whole numbers and absolute values except line 3
- Only TFC report with consolidation check box



TFC-1 Form

Foreign Exchange Spot, Forward, and Futures Purchased and Sold (Lines 1 & 2)

- Notional amounts of foreign exchange that the reporter has contracted to receive, including unsettled contracts.
- Futures contracts liquidated through offset should be reported net.

Net Options Position Fair Value (Line 3)

- Only report if aggregate gross notional amount of options purchased and sold exceeds \$500 million.
- Report long position as a positive number, and short position as a negative number.



TFC-1 Form

Reporting of swap contracts

- Report the notional amounts of swaps, including cross-currency interest rate swaps. Report the far leg and the near leg if it has not settled. Do not report the notional amount of swaps where there is not an exchange of principal.
- For swaps where the principal has been exchanged for the near leg but not the far leg, only the far leg should be reported.



TFC-2 Form

Categories	(1) U.S. Dollars	(2) Euros	(3) Swiss Francs	(4) U.K. Pounds	(5) Japanese Yen	(6) Canadian Dollars
(1) Foreign exchange contracts purchased						
(2) Foreign exchange contracts sold						
(3) Foreign exchange futures purchased						
(4) Foreign exchange futures sold						
(5) Net options position Fair value						
(6) Foreign currency denominated assets						
(7) Foreign currency denominated liabilities						
(8) Net overall position Long or (short)						



TFC-2 Form

Foreign Exchange Contracts Purchased and Sold (Lines 1 & 2)

- Notional amounts of foreign exchange that the reporter has contracted to receive, including unsettled contracts.
- Exclude futures contracts.
- Exclude swap contracts where there has been no exchange of principal.

Foreign Exchange Futures Purchased and Sold (Lines 3 & 4)

- Notional amount of all futures contracts.
- Futures contracts liquidated through offset should be reported net.

Fair Value Options Position (Line 5)

- Only report if aggregate gross notional amount of options purchased and sold exceeds \$500 million.



TFC-2 Form

Foreign Currency Denominated Assets (Line 6) includes:

- Currency
- Balances due from banks and other depository institutions
- Securities
- Loans
- Discounted notes

Foreign Currency Denominated Liabilities (Line 7) includes:

- Borrowings
- Overdrafts
- Securities
- Acceptances outstanding
- Deferred payment letters of credit outstanding
- Balances due to banks

Exclude any contracts included in lines 1-4 of this report.



TFC-2 Form

Net Overall Position (Line 8)

- Report net overall position of each reportable currency
- Net liability is indicated with a negative number

Net Foreign Exchange Contracts (Line 1 – Line 2)

+

Net Futures Contracts (Line 3 – Line 4)

+

Net Options Position Fair Value (Line 5)

+

Net Foreign Currency Denominated Items (Line 6 – Line 7)



OPTIONS ADDENDUM

Categories	(1) U.S. Dollars	(2) Euros	(3) Swiss Francs	(4) U.K. Pounds	(5) Japanese Yen	(6) Canadian Dollars
(1) Put options written						
(2) Call options written						
(3) Call options purchased						
(4) Put options purchased						

- Report only if notional amount of options is greater than \$500 million



Options Addendum

- Report if notional amount of options exceeds \$500 million
- Call option: option to buy underlying asset
- Put option: option to sell underlying asset
- Option contracts between specified currencies should be reported twice

Example

Reporter has Japanese yen call option against the sale of Canadian dollars

- Currency amounts should be reported in both columns 5 and 6



TFC-3 Form

Categories	(1) U.S. DOLLARS	(2) EUROS	(3) SWISS FRANCS	(4) U.K. POUNDS	(5) JAPANESE YEN	(6) CANADIAN DOLLARS
(1) Foreign exchange contracts purchased						
(2) Foreign exchange contracts sold						
(3) Foreign exchange futures purchased						
(4) Foreign exchange futures sold						
(5) Foreign currency denominated assets						
(6) Foreign currency denominated liabilities						

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TFC-3 Form

Foreign Exchange Contracts Purchased and Sold (Lines 1 & 2)

- Notional amounts of foreign exchange that the reporter has contracted to receive, including unsettled contracts.
- Exclude futures contracts, and swap contracts where there has been no exchange of principal.

Foreign Exchange Futures Purchased and Sold (Lines 3 & 4)

- Notional amount of all futures contracts.
- Futures contracts liquidated through offset should be reported net.

Foreign Currency Denominated Assets and Liabilities (Lines 5 & 6)

- Same reportable assets and liabilities as TFC-2.

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OPTIONS ADDENDUM

Categories	(1) U.S. DOLLARS	(2) EUROS	(3) SWISS FRANCS	(4) U.K. POUNDS	(5) JAPANESE YEN	(6) CANADIAN DOLLARS
(1) Put options written						
(2) Call options written						
(3) Call options purchased						
(4) Put options purchased						
(5) Net Fair value of options above						



Options Addendum

- Report if notional amount of options exceeds \$500 million
- Option contracts between specified currencies should be reported twice
- Includes “Net Fair Value of Options Above” line
 - Report the fair value of all currency option contracts, written and purchased, for each specified currency.
 - Report long position as a positive number, and short position as a negative number



Common Reporting Errors

FEDERAL RESERVE BANK *of* NEW YORK

TFC – Common Reporting Errors

- Not including all foreign currency contracts in the calculation of the threshold
- Reporting foreign exchange contract balances in USD equivalent, instead of the denominated currency
- Not following consolidation rules
- Including customer positions



TFC – Common Reporting Errors

- Not reporting in millions and whole numbers
- Reporting the Options Addendum when the threshold is not met
- Reporting positions on a net basis, instead of a gross basis
- Not reporting both sides of the transaction



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