

MEMO# 20983

March 23, 2007

Information Required for the Treasury Department's Five-Year Mandatory Survey of U.S. Ownership of Foreign Securities

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TO: CHIEF COMPLIANCE OFFICER COMMITTEE No. 7-07
COMPLIANCE ADVISORY COMMITTEE No. 6-07
INTERNATIONAL COMMITTEE No. 6-07
INTERNATIONAL INVESTING SUBCOMMITTEE No. 3-07
SEC RULES COMMITTEE No. 30-07
SMALL FUNDS COMMITTEE No. 12-07 RE: INFORMATION REQUIRED FOR THE TREASURY DEPARTMENT'S FIVE-YEAR MANDATORY SURVEY OF U.S. OWNERSHIP OF FOREIGN SECURITIES

It has come to our attention that some Institute members may not be aware of a five-year benchmark survey conducted by the U.S. Department of the Treasury that imposes a mandatory reporting requirement on U.S. persons that manage or own foreign securities. In particular, a manager of U.S. funds is required to complete the report if it manages foreign securities with a total market value of \$100 million or more as of December 31, 2006, aggregated over all accounts and for all branches and affiliates of the firm. Reports were due to the Federal Reserve Bank of New York, acting as agent for the Treasury Department, on March 2, 2007.

The foreign securities that must be reported include all securities issued by entities that are established under the laws of a foreign country and all securities issued by international organizations, such as the World Bank or Inter-American Development Bank, even if these

organizations are located in the United States. Foreign equities, long-term debt securities, and short-term debt securities (including selected money market instruments) all must be reported, regardless of where the securities are traded or the currency in which the securities are denominated. [1]

The reporting form (Form SHC) and instructions for completing the survey are available on the Treasury Department's website at <http://www.treas.gov/tic/forms-sh.shtml#shc>. [2]

If you have questions about the survey, please contact me at 202-326-5813 (solson@ici.org) or Glen Guymon at 202-326-5837 (gguymon@ici.org).

Susan Olson
Senior Counsel - International Affairs

endnotes

[1] The data is used by the U.S. Government in the computation of the U.S. balance of payment accounts and the U.S. international investment position. By law, the information may be used only for analytical and statistical purposes and is only available to the general public at an aggregated level.

[2] A presentation discussing the reporting requirement is on the Federal Reserve Bank of New York's website at <https://www.newyorkfed.org/registration/stats/shca/presentation.pdf>. See also Department of the Treasury; Office of the Assistant Secretary for International Affairs; Survey of U.S. Ownership of Foreign Securities as of December 31, 2006, 71 Fed. Reg. 61140 (Oct. 17, 2006) (notice of survey).