

**MEMO# 25605**

November 2, 2011

## **Notice Regarding Quinquennial Report of U.S. Ownership of Foreign Securities as of December 31, 2011**

[25605]

November 2, 2011

TO: INTERNATIONAL COMMITTEE No. 25-11  
INTERNATIONAL INVESTING SUBCOMMITTEE No. 17-11  
SEC RULES COMMITTEE No. 94-11  
TRANSFER AGENT ADVISORY COMMITTEE No. 91-11 RE: NOTICE REGARDING  
QUINQUENNIAL REPORT OF U.S. OWNERSHIP OF FOREIGN SECURITIES AS OF DECEMBER 31, 2011

The Institute received the attached letter from the Federal Reserve Bank of New York ("FRBNY") notifying the industry that the Department of the Treasury is conducting a mandatory quinquennial survey of the ownership of foreign securities, including select money market instruments, by U.S. residents as of December 31, 2011. Reports should be submitted no later than March 2, 2012. The data are used by the U.S. Government in the computation of the U.S. balance of payments accounts and the U.S. international investment position, and in the formulation of international economic and financial policies.

The forms and instructions for the Quinquennial Report of U.S. Ownership of Foreign Securities, Including Select Money Market Instruments ("SHC"), are available on the U.S. Treasury's website at, <http://www.treasury.gov/resource-center/data-chart-center/tic/Documents/shc2011in.pdf>. In addition, the FRBNY will host an SHC training seminar on November 10, 2011, to provide an understanding of the reporting requirements and key issues for reporters. The seminar will be broadcast via the Internet and remain available for 120 days.

In general, all U.S.-resident custodians and end-investors [\[1\]](#) with aggregate holdings of foreign portfolio securities that meet the reporting thresholds must submit Schedule 1 (information that identifies the reporter), Schedule 2 (information on foreign securities owned by U.S.-resident investors) and Schedule 3 (summary amounts of all foreign securities entrusted to the safekeeping of a U.S.-resident custodian). SHC reporters are exempt from reporting on Schedule 2 if the total fair value of foreign securities whose

safekeeping they manage for themselves and for other U.S. residents or whose safekeeping the reporter has entrusted directly to foreign-resident custodians or U.S. or foreign-resident central securities depositories is less than \$100 million (aggregated over all accounts) as of December 31, 2011. SHC reporters are exempt from reporting on a Schedule 3 holdings that are entrusted to an unaffiliated U.S.-resident custodian that is not a U.S.-resident central securities depository, if the total fair value of the foreign securities entrusted to that U.S.-resident custodian by the U.S. parts of the reporter's organization and its U.S.-resident clients whom the reporter represents as end-investor – aggregated over all accounts – is less than \$100 million as of December 31, 2011.

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Associate Counsel - International Affairs

### [Attachment](#)

#### **endnotes**

[\[1\]](#) End-investors are U.S.-resident organizations that invest in foreign securities for their own portfolios or invest on behalf of others, such as investment managers and fund sponsors.

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