

Upcoming Form SHC Filing Deadline

February 24, 2022 Shelley Rosensweig

PRACTICES Fund Formation and Management, Private Equity, Investment Management

Every five years, the Department of Treasury, with the assistance of the Board of Governors of the Federal Reserve Bank of New York (“**FRBNY**”), conducts its mandatory benchmark survey of U.S. ownership of foreign securities on its Treasury International Capital Form SHC (“**Form SHC**”). The collected data is used by the government, among other things, to formulate international economic and financial policies by considering the international investment position of the United States as a whole. Under this filing, various U.S.-resident investment managers, custodians, and other end investors are required to file this Form SHC through the FRBNY by **March 4, 2022**.

WHO IS REQUIRED TO FILE A FORM SHC?

Form SHC must be filed by U.S. persons or organizations with holdings of reportable foreign securities equal to or greater than \$200 million (as of December 31, 2021). Very generally, there are currently three classifications of parties required to file:

1. U.S.-resident custodians responsible for the safekeeping of \$200 million or more in reportable foreign securities;
2. U.S.-resident end-investors owning or managing \$200 million or more in reportable foreign securities; *and*
3. Any other entity specifically notified by letter from the FRBNY.

For additional information regarding who is required to File a Form SHC, please see Form SHC and the Instructions which can be found [here](#).

HOW IS FORM SHC ORGANIZED?

Form SHC is comprised of three parts:

- Schedule 1 requests basic identifying information of the reporter as well as summary information regarding the data reported in Schedules 2 and 3 (as applicable).
- Schedule 2 requests detailed information on foreign securities owned by U.S.-resident investors (i) that the reporter safe-keeps for itself or for its U.S.-resident clients, (ii) for which the reporter directly employs foreign-resident sub-custodians or U.S.-resident or foreign-resident central securities depositories to manage the safekeeping of those securities or (iii) that are instruments of the type that there is no U.S. custodian to manage the safekeeping of those securities.
- Schedule 3 requests summary amounts for all foreign securities held by a U.S.-resident custodian (that is not a U.S.-resident central securities depository).

For additional information regarding who has to report on each of these three parts, a copy of Form SHC and the Instructions can be found [here](#).

WHAT ARE REPORTABLE FOREIGN SECURITIES?

The only securities that must be reported on Form SHC are foreign securities (including but not limited to foreign equities, short-term debt securities and long-term debt securities). Foreign securities are all securities issued by entities that are established under the laws of a foreign country and all securities issued by international or regional organizations (e.g., the International Bank for Reconstruction and Development and the Inter-American Development Bank), even if these organizations are physically located in the United States. Reportable securities may be traded or issued in the United States and in foreign countries and may be denominated in any currency. Neither the country in which the securities are traded or issued, nor the currency in which the securities are denominated, is relevant to determine whether the securities are reportable.

For more detail regarding the types of reportable foreign securities, please review the instructions to the Form SHC available [here](#).

WHEN TO FILE?

In order to file, filers should ensure that they have the required 10-digit Reporter Identification Number assigned by the FRBNY as soon as possible. Filers may obtain a Reporter Identification Number by contacting FRBNY staff at 212-720-6300 or [\[email protected\]](#).

Form SHC data must be filed with the Federal Reserve Bank of New York no later than **March 4, 2022**. The relevant data should be recorded as of December 31, 2021.

A copy of Form SHC and related instructions can be found [here](#).

For more information or if you have any questions, please contact one of the following Haynes Boone attorneys: