

FROM: Treasury Services EXTN: 5762  
DATE: 9 May 2005 REF: Y3555  
SUBJECT: **US SITUS QUARTERLY ADJUSTMENT: NEW SECURITIES TRANSFER PROCESS**  
SUBJECT AREA(S): Quarterly Adjustments  
Investment Transfers  
US Situs CRTF/SLTF  
ATTACHMENTS: [Appendix 1:Instructions for the completion of document](#)

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ACTION POINTS: **Collection of Electronic File.**

DEADLINE(S):

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**This Market Bulletin outlines a new facility which has been made available to Lloyds Syndicates who wish to use the transfer of securities rather than a cash transfer to meet their regulatory Transfer Minimum Amount for their CRTF and SLTF obligations. This facility will run in parallel to that outlined in Market Bulletin Y2715 and Y857.**

Due to unprecedented high volumes of securities transfers in the last US Situs adjustment, Citibank are offering the market a facility that will allow the transfer of many securities on an automated basis.

The advantages syndicate will experience as a result of the new transfer method are:

- Reduction in processing errors. Electronics file will be automatically uploaded by Citibank Dublin reducing chances of settlement failure.
- Only one form need be completed. In the past securities transfer forms have required that a syndicate fill up to 9 separate forms
- Quicker turnover time. Using this electronic system means Citibank will require transfer forms only 2 days prior as opposed to 3 days under older method

The new format is designed to deal with the following transfers

LDTF to US situs (CRTF & SLTF)

US Situs (CRTF & SLTF) to LDTF

And US Situs to US Situs in the case of RITC's

**Please note only one LDTF account should be used per form and that LDTF to LDTF transfers will have to be carried out in the manner set out in Y2715.**

Price Volatility

An estimation using current volatility margins should be made to ensure there will be sufficient funds in the regulated account on the Adjustment day. Given that there will be a shorter notice period required, syndicates should be able to better estimate the market price.

If there are insufficient funds as a result of syndicates securities estimates, syndicates must be in an immediate position to make good the deficit by cash transfer on notification from Lloyd's Treasury Services the day after adjustment.

Appendix 1 details instructions on how to complete the Master schedule which in turn will feed all security details automatically to required forms for Citibank New York and Citibank Dublin with the appropriate cover pages.

**As indicated in the instructions, the forms must be both emailed and then printed and faxed with all of the required signatures. Citibank will be unable to process the transactions if they do not receive both the email and fax instructions.**

The excel file required to use this facility will be issued on request, by e-mail, to:  
[Keith.Coutinho@lloyds.com](mailto:Keith.Coutinho@lloyds.com)

Any queries relating to this Market Bulletin should be addressed to the relevant contact below.

For IT problems:

Keith Coutinho 020 7327 5762

For Queries relating to securities settlements and process:

William Mulrenin: 00 1 212 657 2653

Ann Flynn: 00353 1 622 5700 extn 20

Keith Coutinho 020 7327 5762

For general queries in relation to the LDTF:

Hazel Mosedale: 0207 986 5119

Keith Coutinho  
Treasury Services

## Appendix 1 Instructions for the completion of document

**Citibank Master Schedule for high volume security transfers.**

Instructions: (1) The Master schedule is the only spreadsheet that MAs should complete. There are three sections: 1st for transfers from LDTF, One for transfers to the LDTF and the last for US Situs Transfers (i.e. CRTF to SLTF).  
 (2) An email with all attachments should be sent to kcoth, cevinha@lloyds.com, William.murphy@citigroup.com, Emily.Lewis@citigroup.com, Ann.Flynn@citigroup.com.  
 (3) Signed version of both Citibank London DF and Citibank London DF must also be faxed to Citibank Dublin: 00353 1620997 with Citibank cover sheet.  
 (4) Signed version of the CRTF and SLTF Take must be faxed to Citibank NY on Fax 00 1212 457 2474 with Cover Sheet.  
 (5) Please ensure all account numbers are entered in numbers with no spaces or hyphens - do not drag call or insert lines as this may affect integrity.  
 (6) All fields are mandatory (except optional reference) and must be completed in order for a successful transfer.  
 (7) There are more lines available which are can be unhidden by pressing (2) in the top left corner of your screen.

UK LDTF Account	US Situs Account	CUSIP	Sedol or ISDN	Security Description	Nominal (Original Face)	Original Cost	Estimated Market Value	Trade Date	Original Trade Date	Settlement Date	Optional Reference
5432	6010542352	454322	02516A02	US02516A027	American Express	650,000	650,000	659,833	05/03/2005	06/05/2005	
5432	6010542352	454322	0263SPR69	US0263SPR69	American General Finance	1,000,000	1,000,000	1,024,739	05/03/2005	06/05/2005	
5432	6010542352	454322	02335EAM6	US02335EAM6	American	4,000,000	4,000,000	3,984,400	05/03/2005	06/05/2005	

Syndicates are required to fill in all fields on the **master schedule only**, except for the optional reference in column "N"

- 1) In Cell C11 syndicates should enter the name of their managing agents
- 2) In Cell C12 syndicates should enter the name of a telephone contact with contact details

### Inputting security Transfers

Lines 1-113 relate to transfers from LDTF to US Situs  
 Lines 118-212 relate to transfers from US Situs to the LDTF  
 Lines 218-311 relate to US Situs to US Situs Transfers

- Column A requires the entry of the syndicate number. This can be dragged down for all entries
- Column B requires input of the LDTF Safekeeping account number this should be a 10 digit account starting in 600
- Column C requires input of the US situs account number. 6 digits are required.
- Column D requires the input of the CUSIP relating to the security
- Column E requires input of the sedol or isdn of security and column F the description of security type. Please note for US to US situs transfers sedol/isdn are not required
- Column G requires the nominal face value of the security. This is the value that Citibank Dublin will use to confirm amount by telephone call back.

Column *H* requires the original cost at purchase to be entered. This is the value that the securities will be transferred at in order to minimise tax implications.

Column *I* asks for an Estimated Market Value. This will be used to estimate whether reserving has been met and will be replaced with actual market value by Citibank NY on transfer day. Estimated Market values should allow for a volatility margin for fluctuations in price until settlement day ensuring that sufficient funds remain in the US situs accounts to meet TFMA's post valuation

Column *J*, *K* and *L* ask for the trade date, original trade date and date of settlement. The date of settlement should always be the adjustment date for the quarter e.g. 12/5/05 for Q1 05 with the trade date at least 2 days prior to this. The original trade date ensures the correct units of security are transferred for future tax purposes.

All of the above fields are mandatory and transfers will not settle unless all information is given.

Finally column *N* provides syndicates space for an optional reference. If no value is entered a reference of "US Q adj" will appear on your LDTF statement

#### On completion of file

Please click the print macro located in cell F2 which will automatically print out forms which are required to be signed and faxed to Citibank. There will be 6 headers produced automatically.

The first two sections relating to the LDTF should be faxed to Ann Flynn. The fax header for these pages will automatically be pre-populated on creation.

The remaining four sections should be faxed to William Mulrenin. The fax header for these sections will only be partially pre-populated. The header should be completed by hand to the best of the syndicate's ability.

Fax numbers to be used are on the header page and footers of each transfer document.

Please check that the nominal value on each header agrees to the nominal you believe you are transferring and that all documents are signed.

An electronic version of the file should also be sent by email to

[Keith.Coutinho@lloyds.com](mailto:Keith.Coutinho@lloyds.com)

[William.mulrenin@citigroup.com](mailto:William.mulrenin@citigroup.com)

[Ann.Flynn@citigroup.com](mailto:Ann.Flynn@citigroup.com)