

# Market Bulletin

Ref: Y5129

**Title** AMERICAN, CANADIAN AND OTHER OVERSEAS TRUST FUNDS  
YEAR END REPORTING TIMETABLE

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**Purpose** To advise Managing Agents and Auditors of the Lloyd's American and  
Canadian Trust Funds Year End Reporting Timetable

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**Type** Annual Event

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**From** Donna Broughton  
Financial Processing & Trust Fund Operations Manager  
Finance  
Extn 2693 Donna.Broughton@lloyds.com

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**Date** 8 November 2017

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**Deadline** As per the attached timetable

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## Related links

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Please find attached a copy of this year's timetable (Appendix 1).

As in previous years, the American Custody Pricing Tolerance Standard, which is now being accepted as the industry standard for all Trustees in the USA will be applied (see Appendix 2). Similar arrangements have been instituted with the Canadian Trustee (see Appendix 3).

Agents should note the pricing sources that the Trustees will be using. If agents anticipate any problems with these prices, steps should be taken to ensure that Citibank and/or RBC

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Investor Services are supplied with an alternative valuation by 12 January 2018 and 12 January 2018 respectively. If no alternative valuations are received by the deadline, the initial prices obtained by the Trustees will automatically be applied.

Please note that if an alternative price is adopted for a particular security then it will be applied to all holdings within the Trust Fund.

Agents should take account of the tight timescale, which cannot be avoided, for all processing including queries.

Please note that reports, as detailed on the timetable, will **not** be available for collection from Tenants & Couriers as in previous years, this is due to the fact that we cannot guarantee a delivery date due to the reports coming through customs. Information is available online through Citidirect and the RBC Investor Services portal, but if you haven't received your reports within a week of the delivery dates shown please contact Donna Broughton on Lloyd's ext 2693 or by email [Donna.Broughton@lloyds.com](mailto:Donna.Broughton@lloyds.com)

US tax figures will be produced as they are needed to complete Names' US tax returns, but the information will be supplied direct to Lloyd's Tax Operations.

Any tax enquiries should be directed to Christine Allcott, Taxation Department on Lloyd's extension 2433.

Managing Agents and their investment advisers should be aware that SLTF, CRTF and U.S. Life Syndicate preliminary pricings and assets will be available electronically via Citidirect on 2 January 2018. The preliminary pricings and assets for the Canadian Trust Funds will be available electronically via RBC Investor Services Portal on 2 January 2018.

As in previous years any queries on the year end schedules should be faxed direct to the relevant Trustee on the attached pro-formas (Appendices 4 and 5).

**Agents should note that it is critical that the final deadlines for sending queries to the Trustees are strictly adhered to in order to achieve this timetable for the whole Market.**

All auditors are asked to use confirmation.com to register and receive requests for Citibank accounts both in London and Singapore. New York accounts should not be registered on confirmation.com

Please see appendix 8 and 9 for the original details sent by Citibank when the confirmation.com service was first introduced in 2013 and a list of FAQs

Further audit queries in respect of the reports for Citibank London and Singapore should be directed to the following:-

By Email to: [audit.certs@citigroup.com](mailto:audit.certs@citigroup.com)

Citibank's escalation for both London and Singapore are shown below:-

London: Paul Drayson Tel. 0207 986 5713 Paul.Drayson@citi.com  
Singapore: Ai-ling Yeo Tel. 00 65 6328 7612 Ailing.Yeo@citi.com

With regard to the overseas trust funds, i.e. the JATF's, Kentucky, Illinois, South Africa, Australia and Canadian Margin Fund pre adjustment, statements detailing principal and estimate of return earned since the last quarter will be sent electronically on 12 January 2018 in a format which calculates the actual return in addition to % return.

Any queries on these statements should be directed to Carolyn Smith, Financial Control, Chatham on Lloyd's extension 2922 ([FinancialControl-Payments@lloyds.com](mailto:FinancialControl-Payments@lloyds.com))

Managing Agents should be aware that the forms in Appendices 6 and 7 have been sent to the following Auditors for completion, we use one contact name as a liaison at each auditor. If your auditor is not shown on the list can you please pass on the form for completion and ask them to return it by the 18<sup>th</sup> December.

**Deloitte** – Davina Pearce ([dpearce@deloitte.co.uk](mailto:dpearce@deloitte.co.uk))

**Ernst & Young** – Adeel Wahab ([swahab@uk.ey.com](mailto:swahab@uk.ey.com))

**KPMG** – Yeong Chyn Phan ([yeongchyn.phan@kpmg.co.uk](mailto:yeongchyn.phan@kpmg.co.uk)) or Amanda Yong ([amanda.yong@kpmg.co.uk](mailto:amanda.yong@kpmg.co.uk))

**Littlejohn** – Neil Coulson ([ncoulson@pkf-littlejohn.com](mailto:ncoulson@pkf-littlejohn.com))

**Mazars** – Paul Bennett ([paul.bennett@mazars.co.uk](mailto:paul.bennett@mazars.co.uk))

**Price Waterhouse Coopers** – George Style ([george.style@uk.pwc.com](mailto:george.style@uk.pwc.com))

**Moore Stephens** – Alex Barnes ([alex.barnes@moorestephens.com](mailto:alex.barnes@moorestephens.com))

Any general queries concerning this letter and enclosures should be addressed to Donna Broughton on Lloyd's extension 2693

Donna Broughton  
Financial Processing & Trust Fund Operations Manager  
Financial Control

**LATF, CRTF, SLTF & LCTF YEAR END ASSET & TAXATION REPORTING  
TIMETABLE**

<b>LATF, CRTF &amp; SLTF (US DOLLARS)</b>		
<b>Report</b>	<b>Delivery Date</b>	
Preliminary Pricing and Assets	02/01/2018	Available via Citidirect
Preliminary Pricing Schedule	03/01/2018	Available by return following e mail request to Lloyds-STFOMail@lloyds.com
Preliminary Schedule B (with accrued interest)	04/01/2018	NB: this is the date these will be sent from Citibank, New Jersey
Certified Cash Statements	08/01/2018	NB: this is the date these will be sent from Citibank, New Jersey
<b>Final Date for Citibank to Receive Pricing Queries</b>	<b>12/01/2018</b>	<b>5pm by fax to Citibank</b>
<b>Final Enquiry Date (Asset Statement)</b>	<b>12/01/2018</b>	<b>5pm by fax to Citibank</b>
Certified Schedule B Cash & Assets	19/01/2018	NB: this is the date these will be sent from Citibank, New Jersey
<b>LCTF (CAN DOLLARS &amp; US DOLLARS)</b>		
Preliminary Pricing and Assets	02/01/2018	Available via RBC Investor Services Portal
Preliminary Pricing Schedule	04/01/2018	Available by return following e mail request to Lloyds-STFOMail@Lloyds.com
Certified Cash Statement	09/01/2018	NB: this is the date these will be sent from RBC, Canada
<b>Final Date for RBC Investor Services to receive Pricing Queries</b>	<b>12/01/2018</b>	<b>5pm by fax to RBC Investor Services</b>
Initial Tax Package	17/01/2018	NB: this is the date these will be sent from RBC, Canada
Certified Schedule B	18/01/2018	NB: this is the date these will be sent from RBC, Canada
<b>Final Schedule B Enquiry Date</b>	<b>24/01/2018</b>	<b>5pm by fax to RBC Investor Services</b>
Final Tax Correction (If applicable)	29/01/2018	NB: this is the date these will be sent from RBC, Canada
Certified Schedule B Amendments (If applicable)	29/01/2018	NB: this is the date these will be sent from RBC, Canada

**CUSTODY PRICING SOURCES FREQUENCIES  
AND TOLERANCE STANDARDS**

Appendix 2

<b>SECURITY TYPE</b>	<b>TOLERANCE</b>	<b>FREQUENCY</b>	<b>PRIMARY VENDOR 1</b>
U.S. TREASURY NOTES	0.00%	DAILY	IDSi
U.S. TREASURY BONDS	0.00%	DAILY	IDSi
U.S. TREASURY BILLS	0.00%	DAILY	IDSi
GNMA/FNMA/FHLMC (AGENCIES - FIXED)	1.00%	DAILY	IDSi
GNMA/FNMA/FHLMC (AGENCIES - ARMS)	0.25%	DAILY	IDSi
GNMA/FNMA/FHLMC REMICS	1.00%	DAILY	IDSi
FHLB	1.00%	DAILY	IDSi
SBA LOANS / POOLS	1.00%	DAILY	IDSi
DOMESTIC CORPORATE BONDS / NOTES	1.00%	DAILY	IDSi
CORP.FLOATING RATE BONDS / NOTES	0.25%	DAILY	IDSi
MEDIUM TERM NOTES (FIXED RATE)	1.00%	DAILY	IDSi
MEDIUM TERM NOTES (FLTG RATE)	0.25%	DAILY	IDSi
CONVERTIBLE BONDS	1.00%	DAILY	IDSi
PRIVATE PLACEMENTS	1.00%	MONTHLY	Prudential America
YANKEE / EURO	1.00%	DAILY	IDSi
CMO'S	1.00%	DAILY	IDSi
FOREIGN DENOMINATED BONDS	1.00%	DAILY	IDSi
FOREIGN CONVERTIBLE	1.00%	DAILY	IDSi
MUNICIPAL BONDS	1.00%	DAILY	JJ Kenny/SP
DOMESTIC COMMON STOCKS			
LISTED	0.00%	DAILY	IDSi
UNLISTED	1.00%	DAILY	IDSi
PREFERRED STOCK	1.00%	DAILY	IDSi
CONVERTIBLE PREFERRED STOCK	1.00%	DAILY	IDSi
MUTUAL FUNDS	0.00%	DAILY	IDSi
WARRANTS	0.00%	DAILY	IDSi
ADR'S			
LISTED	0.00%	DAILY	IDSi
UNLISTED	0.25%	MONTHLY	IDSi



October 23, 2017

## **TRUSTEE PRICING SOURCES AND TOLERANCE STANDARDS LLOYD'S CANADIAN TRUST FUNDS**

Thresholds and tolerances are established for securities pricing verification and tests conducted daily. Proof of verification must be kept on file for review.

Monthly, a vendor price comparison is to be completed on our suppliers. Research is required for the following differences:

- Equity +/- 5% (Penny stock +/- 0.20)
- Debt (Convertible) +/- 3%
- Debt (Regular) +/- 3%
- Foreign
  - Equity +/- 15%
  - Bonds +/- 3%
  - Convertible +/- 3%

**LATF, CRTF AND SLTF**  
**QUERY REPORT**

Date .....

**A: TO:** Citibank NA (Fax No. 001 973 461 7194)

The following query has arisen on our statement as at 31 December 2016.

**ACCOUNT NO:** .....

**SYNDICATE NO.** .....

**REPORT TYPE:** (delete as applicable)

- |                                 |                                |
|---------------------------------|--------------------------------|
| 1. Preliminary Pricing Schedule | 3. Preliminary Asset Statement |
| 2. Asset Statement              |                                |

**DETAILS OF QUERY:**

Signature: .....  
Underwriting Agent/Accountant

Replies to be addressed to: Name: .....

Address: .....

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.....

Fax No: .....

**B. TO:** Agent/Accountants

We acknowledge receipt of the query described above and expect to complete our query on .....

When the enquiry is complete we will confirm our findings and any correcting adjustments to you in writing.

Signed: .....

Dated: .....

Bill Mulrenin  
Citibank NA

**LLOYD'S CANADIAN TRUST FUNDS**  
**QUERY REPORT**

Date .....

**A: TO:** RBC Investor Services, Toronto (Fax No. 001 416 955 2600)

The following query has arisen on our statement as at 31 December 2016

**ACCOUNT NO:** .....

**SYNDICATE NO.** .....

**REPORT TYPE:** (delete as applicable)

- |                                 |                           |
|---------------------------------|---------------------------|
| 1. Preliminary Pricing Schedule | 3. Preliminary Schedule B |
| 2. Investment Summary           |                           |

**DETAILS OF QUERY:**

Signature: .....  
Underwriting Agent/Accountant

Replies to be addressed to: Name: .....

Address: .....

.....

.....

Fax No: .....

**B. TO:** Agent/Accountants

We acknowledge receipt of the query described above and expect to complete our query on .....

When the enquiry is complete we will confirm our findings and any correcting adjustments to you in writing.

Signed: .....

Dated: .....

Roxanne Alleyne  
RBC Investor Services, Toronto









Dear Client,

We at Citi always look at ways to improve our processes and simplify our clients' life. In order to keep pace with new technologies and practices in the accounting and auditing industry, **effective 1st September 2013 the Citibank Western Europe Audit Certificates Team will no longer process mailed, paper or email based audit confirmation requests and will not issue physically signed certificates.** Instead, **we will accept electronic requests** via a secure website solution. This exciting new process is an effort to reduce turnaround time, provide reliable and efficient tracking and overall service and prevent fraud.

Citibank has partnered with Confirmation.com the world's leading provider of online audit confirmation services to offer a simple online electronic solution for fulfillment of audit confirmation requests. Some key information about Confirmation.com:

- Recognised and widely used by each of the Big 4 audit firms
- Is an Associate Member of the British Banker's Association
- Used and preferred by most of the US and European banks and US regulators
- Processed over 1,000,000 confirm requests
- Utilised by over 11,000 accounting firms in 100+ countries

Some of the key benefits of using this solution are listed below:

- Complete elimination of paper handling, postage and associated delays.
- No need any more for physical signatures and verification. Online authorisation instead.
- Ability to track status online.
- Reduces the auditor's time spent on confirmations by an average of 50% (case study).
- Electronic confirmations offer a more secure and reliable process and reduce the risk of fraud.
- Auditor can utilise the Confirmation.com service to submit electronic audit confirmations in one step to over 300 other financial institutions and departments.

During the auditing process, the auditor will enter the details of the request including financial institution from a drop down list, main account number and whether or not list of authorised Signers is required. Submission of the request generates an email to Citi's client for verification of the request and authorising Citibank to disclose the information to the auditor. This authorisation on the client side is a simple click on a link in the email received from Confirmation.com. Please note, only the auditor can submit a request and receive the completed certificate. There is a fee of \$99 per confirmation charged by Confirmation.com and payable by the auditor for using this service.

As usual, the auditor can submit a request pertaining to an account or other financial product in any of our centralised branches, namely Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Jersey, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, UK. We are adding more countries in the near future.

To begin using this service, the auditor must register their firm with Confirmation.com at [www.confirmation.com](http://www.confirmation.com) which takes only minutes and there is no cost to register. Simply begin by clicking the new auditor registration button, choosing a firm, providing a few pieces of standard profile information after which the system will validate your information.

The auditor can begin using the site immediately. In addition, there are several short training videos available to familiarize with the site and the required information for confirmation processing. Confirmation.com may be contacted directly at 1-866-325-7201, Monday – Friday 8am to 5pm CST for assistance or more information.

**Prior to your next audit, please inform your auditor to register for the Confirmation.com service at [www.confirmation.com](http://www.confirmation.com) and submit your confirmations electronically.** Early registration for this process will help ensure that you and your auditor are ready to take advantage of the benefits of this automated process when it is time for your next audit.

For any queries, you or your auditor should contact [Customer.Support@confirmation.com](mailto:Customer.Support@confirmation.com) or 1-866-325-7201/1-615-244-6222 or our Western Europe Audit Certificates Team.

We are happy to be offering you with this more efficient and reliable service which will provide you with a rewarding overall experience.

Audit Certificates Unit  
E-Mail: [audit.certs@citi.com](mailto:audit.certs@citi.com)  
Tel: +44 (0)20 798 64428



# Frequently Asked Questions

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## Online Audit Confirmations via confirmation.com

In an effort to continue to provide our clients with the best solutions and services in the marketplace, and to keep pace with new technologies in the accounting industries, Citi has entered into an agreement with Confirmation.com to provide our clients and their auditors with an easy-to-use online solution for timely depository, investments and commercial loan account audit confirmations.

### **What is the scope of the Confirmation.com service?**

Citi introduced online confirmation requests for North America-based (U.S. and Canada) Depository, Global Investments (Time Deposits and Money Market Funds) & Commercial Loan accounts, in 2010 via the Confirmation.com service. We are pleased to announce that all accounts are products in 16 additional Western European countries have been added to the scope. New countries are being added so please inquire about the latest list of countries online.

### **Why use this service?**

Confirmation.com reduces the auditor's time spent on confirmations by an average of 50%.\* In addition, electronic confirmations offer a more secure and reliable process and reduce the risk of fraud.

*(\*AICPA Case Study: CPA Firm Smith, Turner & Reeves Finds Solution to Help Improve Accuracy, Efficiency and Security of Audit Process. May 2004.)*

### **How do I know that it is safe for me to use Confirmation.com?**

Confirmation.com is the only patented secure web service in which the auditor and financial institution are validated prior to receiving secure sign-on access. Confirmation.com undergoes SOC 1, SOC 2 and SOC 3 examinations every six months and has received an ISO 27001 certification of its Confirmation.com service. Confirmation.com has processed in excess of 1 million confirmations. More than 11,000 accounting firms utilize Confirmation.com including all from the Big Four Accounting firms.

### **How many banks use Confirmation.com?**

Over 300 financial institutions and departments currently utilize the services of Confirmation.com. In addition, over 50% of the top 50 banks including all of the top 10 banks use Confirmation.com.

### **Is this a Citi service?**

No, Confirmation.com is a trusted and approved service provider to Citi, they are not an affiliate of Citi.

**Can I or my auditor opt out?**

We request that all audit confirmations be submitted by the auditor through Confirmation.com. This will ensure requests are received and responded to timely. It also eliminates the possibility of the request becoming lost or misdirected. In the very exceptional event you or your auditor cannot participate, Citi will accommodate these exceptions on a best effort basis.

**I need an original version of the confirmation for our files – what options are available?**

A complete record of the confirmation can be retrieved from the application, including requestor, authorizer and responder, including digital signatures and time stamps. Recent years proved that there is no need for original paper documents in the countries in scope.

**My audit firm requires an original, please advise.**

In 2007, both the Auditing Standards Board and the Professional Issues Task Force issued guidance allowing for and defining properly controlled electronic audit confirmations as an original. (*Interpretation of AU Section 330, The Confirmation Process issued March 2007; and the Updated Practice Alert 03-1 Audit Confirmations issued June 2007.*)

**What changes to the audit confirmation fee structure will result from using Confirmation.com?**

There will be no changes to the fees Citi charges for processing audit confirmations. Auditors will be charged by Confirmation.com for using this service and we expect the benefits and cost saves to significantly outweigh the small charges.

**How long will my completed confirmation be available for review through Confirmation.com?**

Confirmation.com will retain all historical Citi electronic confirmation data online for a minimum of 24 months and will also store completed confirmation data offline for up to five additional years.

**How do I get started?**

You can leave the work to your auditor. Please inform them that their next request should be submitted electronically. They need to register if they are not already online. You only need to provide a name and email address of person who will be authorizing the request and reference account.

**Why I do need to provide a reference account?**

It is optional but it might significantly expedite the issuance as Citi will use the reference account number to quickly and uniquely identify your appropriate legal entity name(s). Information will be of course provided for all accounts and product you have with Citi as of month end date requested.

**Do I need to confirm the request submitted by my audit firm and if so, who is accepted as authorized approver?**

Yes, it is mandatory security element replacing the usual signature and subsequent signature verification on Citi side. Upon request submission by audit firm, you will receive an e-mail containing basic information and secured link to click on. By clicking on the link you authorize Citibank to act upon the request and provide the data requested to your audit firm. Please note, that Citi must be able to identify the approver and therefore it must be someone who is listed on one of the following documents: Signature card, Board Resolution, POA, GMTA



**My auditor needs a help with confirmation.com. What is the best approach to address their queries?**

There are several short tutorial videos available to familiarize with the site and the required information for confirmation processing. Confirmation.com helpdesk may be contacted directly at 1-866-325-7201, Monday – Friday 8am to 5pm CST or via e-mail at [Customer.Support@confirmation.com](mailto:Customer.Support@confirmation.com) for assistance or more information. Alternatively they can contact Citi at [audit.certs@citi.com](mailto:audit.certs@citi.com) and we will assist or arrange for someone from confirmation.com to contact them and advise further.

**Does confirmation.com has access to my financial data?**

No, certificates are still issued exclusively by Citi and Confirmation.com only provides a secured platform for requests and certificates exchange and storage and communication between audit firms and Citi. They do not have an access to content of certificates.

## Appendix

### Comparison of Audit Confirmation Processes

Process Step	Paper Confirmation Process	Online Process
<b>Request</b>	Auditor prepares the paper confirmation request	Auditor enters audit confirmation data with information derived from
<b>Authorization</b>	Paper based Disclosure Authority Letter	Client receives an e-mail request for approval of the confirmation(s)
<b>Transmission</b>	Paper based request and completed confirmation posted & delivered. Could potentially be delayed, misrouted and misplaced.	Online, secure workflow including client (for authorization) and bank responders. Real time tracking on both sides, no paper handling and involvement of postal services. Auditor immediately notified when confirmation is ready.
<b>Receipt/Processing</b>	Confirmation is logged, forwarded to the processing team, signature verified, processed	Drops immediately and directly into the processing team's work basket. Digitally authorized by client.
<b>Response</b>	Paper based, requires posting and logging on the receiver side	Auditor immediately receives the confirmation response with the report as attachment or just the balance confirmation in the respective form if requested so
<b>Status Follow-ups</b>	Tracers are generated/received & responded to as necessary. Follow-ups disrupt processing	Auditor can view the request status electronically and 'elevate the status of the confirmation as required