%DVH HURVLRQ QKDODSURILEWH FKDQJHV WR $UWLFOHV
DQG &RPPHQWDULHV LQ2%FOKDDXJVH SRVVLEOH /

352326(' *(1(5$/ $1,792,'$1&(58/(‡

&200(17$5< ((U7ÂKÂ/‚"D4•Ð°0;;´ PHUHO\ UHSUHVHQW

FXUUMQQWOXPEHUHG 7KN
LGHQWLFDO WRDEWXVHJUXQGHDWRODEHDGGHG WR W
SDUDJUDSK ,RW XRXWOGGOWKHUHIRUH UHDG

$UWLLFFOHOHYDQ
8QLWHG 1DWLRQV 0RGHO &RQYHQWLRQ &RPPHQ
ZRXOG QHHG WR EH PRGLILHG DSSURSULDWHO\
&RQYHQWLRQ 7KH GUDIW &RPPHQWDU\ IRU QHZ

7KH &RPPHQWDU\ RQ $UWLFOH RI WKH 8QLWH
UHYLVHG WR UHIOHFW WKH IDFW WKDW QHZ $U
UHIHUHQFHV LQ WKH &RPPHQWDDU\RVH $UXWOFFOHP
IRU WKRVH WD[WUHDWLHV WKDDEXGVH QRXWOHFR
&RPPHQWDU\ RQ $UWLFOH LRVWFHRQWDLQ&5S3 LQ D

352326(' *(1(5$/ $1792,'$1&(58/(
±&2002(17$5<)251$: $57,&/(

,QWURGXFWLRQ

8QWLO WKH   XSGDWH WKH 8QLWHG 1DWLRQV 0RGHO
DEXVH UXOH EXW SURYLGHG DQ RSWLRQDO WH[W IRU L
SDUDJUDSK $V SDUW RI WKH   8SGDWH DEXVH FRPPL
UXOH VKRXOG EH LQFOXGHG LQ &RQYHQWLRQ DQG KDV SURWHFW
SDUDJUDSKV BB WR BB RI WKH &RPPHQWDU\ RQ $UWLFOH
WD[WUHDWLHV WKDW GR QRW FRQWDLQ D JHQHUDO DQWL

7KH $UWLFOH FRQWUDFWLQJ WR WKH DJUHHG E\ WK
WKH)LQDO 5HSRUW RQ $FWLRQ   3UHYHQWLQJ WKH *UD
&LUFXPVWDQFHV DQG DGGHG WR WKH 2(&' 0RGHO &RQY
7KHUHIRUH WKHUH DUH WLPH WKH WHDW SDUDJUDSKV WR   RI WK
  RI $UWLFOH   RI WKH 2(&' 0RGHO &RQYHQWLRQ DUH DOV
7KHVH SDUDJUDSKV ZLWK DSSURSULDWH PRGLILFDWLRQV
DEXVH UXQ WKLV $UWLFOH RI WKH 8QLWHG 1DWLRQV 0RGH

7KH $ PLUULFRUHV WKH DUJXLGDOJ SDFH LQWR RI &RPPHQWDU\ RQ $
$FFRUGLQJ WR WKDW JXLGDQFH WKH EHQHILWVRRIHD WD[
RI WKH SULQFLSDO SXUSRVHV RI FHUWDLQ WUDQVDFWLRQ
WD[WUHDW\ DQG REWDLQLQJ WKDW EHQHILW LQ WKHVH F
SXUSRVH RI WKH UHOHYDQW 7KH $UWLFOLFDRORH RU WKDW HWDW KRQ
XQGHUO\LQJ WKHVH SDUDJUDSKV LQWR WKH &RQYHQWLRQ
RI LPSURSHU XVH RI WKH &RQYHQWLRQ HYHQ LI WKHLU G
DFFRUGH ZLWK SRIUWKHD&RPPHQWDU\ RQ $UWLFOH   LW D

DFWLYLWLHV RI   UHVLGH—QWV R IU DOO&RQ VRO RU DQ FRWLQJ PSO SODWWK
DUUDQJHPHQW HQWHUHG LQWR E\ VXFK D UHVLGHQW FD
SURYLVLRQ

 7KH $UWLFOH PXVW EH UHDG LQ WKH FRQWH[W RI WKH
7KLV LV SDUWLFXODUO\ LPSRUWDQW IRU WKH SXUSRVHV
UHOHYDQW SURYLVLRQV RI WKH &RDQ VH QLGHRQW $RVVFXPQH &IF
6WDWH UHFHLYHV GLYLGHQGV LQWHUHVW UR\DOWLHV F
RWKHU &RQWUDFWLQJ 6WDWH $V ORQJ DV WKH UHFLSLH
EHQHILWV RI $URWLFOH RI WKH &RQYHQWLRQ VKRXOG QRW
SXUSRVH RI WKH EHQHILFLDO RZQHU UHTXLUHPHQW LV W
UHVLGHQWV RI D &RQWUDFWLQJ 6WDWH ZKR UHFHLYH GLY
VHUYLFHV DV QRPLQHHV DJHQWV RU FRQGXLWV IRU WKH
VXFK D UHVLGHQW LV WKH EHQHILFLDO RZQHU RI GLYLG
VHUYLFHV GRHV QRW PHDQ KRZ HWY HURXOGD QRWK EH E 3 G QLL

3

FDSLWDO DQG SHUVRQV DV RSSRVHG WR DUUDQJHPHQWV
IDYRXUDEOHHQWD[WUHDWP

   7KH WHUP ³EHQHILW´ LQFOXGHV DOO OLPLWDWLRQV
UHIXQG RQ WD[DWLRQ LPSRVHG RQ WKH 6WDWH RI VRX
&RQYHQWLRQ WKH UHOLHI IURP GRXEOHKHWSDUWHROLSURY
WR UHVLGHQWV DQG QDWLRQDOV RI D &RQWUDFWLQJ 6
OLPLWDWLRQV 7KLV LQFOXGHV IRU H[DPSOH OLPLWDWL
LQ UHVSHFW RI GLYLGHQGHVLGRWHHWHFKQLUFRDOOODWUVVFRH I
SDLG WR D UHVLGHQW RI WKH RWKHU 6WDWH ZKR LV WK
   ,W DOVR LQFOXGHV OLPLWDWLRQV RQ WKH WD[LQJ U
GHVLHG IURP WKH DOLHQDWLRQ RI PRYDEOH SURSHUW\ OR
6WDWH XQGHU $UWLFOH :KHQ D WD[FRQYHQWLRQ LQF
SURYLVLRQ WKH SURYLVLRQV RIILWWKLV $UWLFOH DOVR D

   7KH SKUDVH ³WKDW UHVXOWHG GLUHFWO\ RU LQGLUHF
LQWHQGHG WR LQFOXGH VLWXDWLRQV ZKHUH WKH SHUVR
D WD[WUHDW\ PD\ GR VR ZLKWDWUHVRFWWKIRRQQHHDUDXQFW\
RQH RI WKH SULQFLSDO SXUSRVHV RI REWDLQLQJ WKDW W
H[DPSOH

      7&R D FRPSDQ\ UHVLGHQW RI 6WDWH 7 KDV DFTXL
      D FRPSDQ\ UHVLGHQWVRGWKDW ZHUH SUHYLRXVO\ KHO
      7KHVH LQFOXGH D ORDQ PDGH WR 6&R DW SHU FH
      7 GRHV QRW KDYH D WD[FRQYHQWLRQ ZLWK 6WDW
      6&R WR 7&R LV VKROEEQJWWRDPRZLOWLQWHUHVW DW D
      DFFRUGDQFH ZLWK WKH GRPHVWLF GDWZDRKH 6WDWWHH[
      FRQYHQWLRQ KRZHYHU WKHUH LV QR ZLWKKROGL
      UHVLGHQW RI D &RQWUDFWZLLQHG 6EWDDWWFRRPSQGEHQHVL
      WKH RWKHU 6WDWH DOVR WKDWRGWHOHQHDILLWWVJSURYLR
      7&R GHFLGHV WR WUDQVIHU WKH ORDQ WR 5&R D
      H[FKDQJH IRU WKUHH SURPLVVRU\ FKWLHQWWSDODHDVEO
      SD\DEOH DW SHU FHQW

,Q WKLV H[DPSOH ZKLOVW 5&R LV FODLPLQJ WKH E \

WD[SD\HU LQ ERQGV LVVXHG LQ D ODUJH Q6XPEWHU RI KDVD
WD[WUHDWLHV ,I WKH IDFWV DQG FLUFXPVWDQFH UHYH
WKH SULQFLSDO SXUSRVH RI REWDLQLQJ WKH EHQHILWV
WKDW REWDLQLQJ D EHQHILWV ZRXOG QRW WR ORQHV SHFWLHF SULQF
DUUDQJHPHQW 6LPLODUO\ SXUSRVHV UHODWHG WR WK
UHOHYDQW LQ GHWHUPLQLQJ ZKHWKHU RQH RI WKH SULQ
ZDV WR REWDLQHDLQHDLWWUHDW

7KH IROORZLQJ H[DPSOHV LOOXVWUDWHWKHH[DPSOHE\SLOQLFFDO
WKH &RPPHQWDU\ RQ $UWLFOH VKRXOG DOVR EH FRQVL
WKH SDUDJUDSK ZRXOG DSSO\ LQ WKH FDVH RI FRQGXFW

([DPSOH7&$R D FRPSDQ\ UHVLGHQW RI 6WDWH 7 RZQ
OLVWHG RQ WKH VWRFN H[FKDQJH RI 6WDWH 6 6V
ZLWK 6WDWH 6 DQG WKHUHIRUH DQ\ GLYLGHQG
ZLWKKROGLQJWD[RQRI SHU FHQW LQ DFFRUGD
RI 6WDWH 6 8QGHU6WDWHWKH6 6WDWWHFRQYHQWLRQ KRZ
ZLWKKROGLQJ WD[RQ GLYLGHQGV SDLG E\ D FRPS
DQG EHQHLILFLDOO\ RZQHQGVWR ERIDWFKRPSDQ\HUH6WLGWH
DQ DJUHHPHQW ZLWK 5&R DQ LQGHSHQGHQW ILQD
SXUVXDQW WR ZKLFK 7&R DVVLJQV WR 5&R WKH UL
KDYH 7&SHU5HQïG+FFMKDDUYHG€EXäXokTáY HWW@OXNBXI$HUV ÎËH4ÊKODY
,Q WKLV H[DPSOH LQKDYH EH pC™'G $9™PA'P DSQHM'LP

FRQYHQWLRQ WR JUDQW WKH EHQHILWWKRRSSWOQKDW
DUUDQJHPHQW

([DPSOH5&R D FRPSDQ\ UHVLGHQW RI 6WDWH 5 LV
HOHFWURQLF GHYLFHV DQG LWV EXVFLRQOHVLGHLUKQUS
HVWDEOLVKLQJ D PDQXIDFWXULQJ SODQW LQ D G
IURP ORZHU PDQXIDFWXULQJ FRVWV $IWHU D SUHO
WKUHH GLIIHUHQW FRXQWULHV DUH LGHQWLILHG
HFRPOLF DQG SROLWLFDO HQYLURQPHQWV $IWHU FR
RQO\ RQH RI WKHVH FRXQWULHV ZLWK ZKLFK 6WDW
LV PDGH WR EXLOG WKH SODQW LQ WKDW 6WDWH

,Q WKLV H[DPSOH ZKLOVWWKH GHFLVLRYWRQ WRWQ
EHQHILWV SURYLGHGGDEHWWKHVWDWFRGY5HQWLRQ LW
SULQFLSDO SXUSRVHV IRU PDNLQJ WKDW LQYHVWF
WR WKH H[SDQVLRQ RI 5&R¶V EXVLFRWWDORG WKDE
FRXQWU\ ,Q WKLV H[DPSOH LW FDQQRW UHDVRG
SULQFLSDO SXUSRVHV IRU EXLOGLQJ WKH SODQW
JLYHQ WKDW D JHQHUDO REMHFWLYH RERWGHFRQ
LQYHVWPHQW REWDLQLQJ WKHEHQHILForVYRQWLRHO
LQYHVWPHQW LQ WKH SODQW EXLOW LQ 6WDWH 6
SXUSRVH RI WKH SURYLVLRQV RI WKDW FRQYHQWL

([DPSOH5&R D FROOHFWLYH LQYHWRWWOQWHYHNKPPDQ
D GLYHUVLILHG SRUWIROLR RI LQYHVWPHQWV LQ V
FXUUHQWO\KROGV SHU FHQW RI LWV SRUWIROLF
6 LQ UHVSHFW RI ZKLFK LW UHFHLYFRQDOQWDRQQ
EHWZHHQ 6WDWH 5 DQG 6WDWH 6 WKH ZLWKKROG

RI SRVVLEOH ORFDWLRQV 7&2 GHFLGH5&2WRLQVWD
6WDWH 5 7KLV GHFLVLRQ LV PDLQO\ GULYHQ E\ W
V\VWHP EXVLQHVV IULHQGO\ HQYLURQPHQW SRQ
UHJLRQDO JURXSLQJ VRSKLVWLFDWHG EDQNLQJ L
WDRQWWUHDW\ QHWZRUN RI 6WDWH 5 LQFOXGLQ
SURYLGH ORZ ZLWKKROGLQJ WD[UDWHV ZLWK W
VXEVLGLDULHV

,Q WKLV H[DPSOH PHUHO\ UHYLHZLQJ WKH HIIHFW
E\ WKH MXULVGLFWLR WKH UHJLRQDO FRPSDQ\ ZRXOG

9

WKH EHQHILW RI WKDW UHGXFHG UDWH RQ WKRVH GLYLG
WKH VXE@VLGLDU\

    ,Q SDUDJUDSKV   DQG   RI WKH &RPPHQWDU\ RQ $U
WKH JHQHUDO LPSRUWDQFH RPLOLRVWHUDPFHLRKDQ QLQVGPVQIQWHU
WUHDWLHV WR PLQLPL]H WKH ULVNV RI WD[DEXVH 7K
    ZLWK UHVSHFW DW EXVJHHOUHXODHV DQ ELRWK GRPHVWLF OD
,QHYLWDEO\ DJHEXVMHUDLXOODHQVWLOOHYROYH RI XQFHUWDLQW\ Z
QHJDWLYH LPSDFW ERQUGHHLJJLWVWLPDGGWHH DFURVLVQYHVWPHQW
FRQVLGHU UHGXFLQJ WKH XQFHUWDLQW\ IRU WD[SD\HUV
$UWLFOH RQO\ DIWWHHLOQLRSDSSRURLYFLDOOEO\ RI WKH WD[DGPLQ
SDUDJUDSK   DERYH DQ DGYDQFH UXOLQJV SURFHGXUH
DGPLQLVWUDWLRQ WR WD[SD\HUV DV WR KRZ LW LQWHQ
SDUDJUDRSIKWKH &RPPHQWDUWWRRQ QWLQFGOHSHQGHQW MXGLF
WR SURYLGH WD[SD\HUV ZLWK WKH DVVXUDQFH WKDW WK
HIIHFWLYH DSSOLFDWLRQ RI WKH PXWXODGOLVSDXXWWHHVPHRQQFHSU
WKH DSSOLFDWLRQ RI WKH $UWLFOH ZLOO EH UHVROYHG
VR DV WR PDLQWDLQ WKH LQWHJULW\ RI WD[WUHDWLHV