

This report is required by law - Section 5(b)(2), P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104. Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief...

CONTROL NUMBER

INITIAL REPORT ON A FOREIGN PERSON'S DIRECT OR INDIRECT ACQUISITION, ESTABLISHMENT, OR PURCHASE OF THE OPERATING ASSETS, OF A U.S. BUSINESS ENTERPRISE, INCLUDING REAL ESTATE MANDATORY - CONFIDENTIAL

RETURN REPORT TO

U.S. Department of Commerce Bureau of Economic Analysis BE 50 (IN) Washington, DC 20230

IMPORTANT - Read instructions before completing report.

This report is to be completed either

- (a) by a U.S. business enterprise when a foreign person (hereinafter, the "foreign parent") establishes or acquires directly, or indirectly through an existing U.S. affiliate, a 10 percent or more voting interest in that enterprise... (b) by the existing U.S. affiliate of a foreign person...

A separate report must be filed for each foreign parent or existing U.S. affiliate that is a party to the transaction.

NOTE - Real estate purchased for other than personal use constitutes a "business enterprise."

Part I Type of Transaction and Date of Completion

The foreign parent or existing U.S. affiliate (Mark (X) one of items 1 through 4) -

- 1. created a new legal entity, either incorporated or unincorporated, including a branch, that it organized and began operating as a new U.S. business enterprise; or directly purchased real estate. 2. secured a voting equity interest in a previously existing, separate legal entity that was already organized and operating as a U.S. business enterprise... 3. bought a business segment or operating unit of an existing U.S. business enterprise... 4. the existing U.S. affiliate bought a U.S. business enterprise, or business segment or operating unit of a U.S. business enterprise, and merged it into its own operations...

5. Date on which transaction was completed

If item 1, 2, or 3 is marked, the U.S. business enterprise acquired, or the new legal entity created, is hereinafter referred to as the "new U.S. affiliate" and Parts II, IV, V, and VI below must be completed.

If item 4 is marked, omit Part II and complete Parts III, IV, V, and VI below.

NOTE - See section II.E. of instructions concerning unusual reporting situations.

PART II Identification and Ownership Structure of the New U.S. Affiliate This Part is to be completed only if item 1, 2, or 3 is marked.

6. Name and address of new U.S. affiliate BEA 103 USE 1

7. Primary employer identification number to be used by the new U.S. affiliate to file income and payroll taxes. - Enter E.I. Number BEA 108 USE 1

Ownership of new U.S. affiliate - Percent of voting shares and equity interest for an incorporated U.S. affiliate, or an equivalent interest for an unincorporated U.S. affiliate, owned DIRECTLY by -

8. All foreign parent(s), including the foreign parent(s) with a newly acquired direct investment ownership interest 109

9. All U.S. affiliate(s) of foreign parent(s), including the existing U.S. affiliate(s) with a newly acquired ownership interest 110

10. Other foreign persons 111

11. Other U.S. persons 112

12. TOTAL - Sum of items 8-11 100.0 % 100.0 %

13. Did the foreign parent or existing U.S. affiliate hold a direct ownership interest in the new U.S. affiliate immediately prior to the date given in item 5? 114

14. If the answer to item 13 is "YES," give the percent ownership interest that the new foreign parent or existing U.S. affiliate previously held in the new U.S. affiliate, and the cost of such investment. 115

Part III Identification of U.S. Business Enterprise or a Business Segment or Operating Unit of a U.S. Business Enterprise, that has been Acquired by and Merged into an Existing U.S. Affiliate

This Part is to be completed only if item 3 or 4, Part I above, is marked.

15a. Name and address of business enterprise acquired or main office or location of the operating facilities of the segment or operating unit acquired.

Name 116 Street or P.O. Box 117 City and State 118 ZIP Code

15b. Name and address of person from whom acquired.

Name 119 Street or P.O. Box 120 City and State 121 ZIP Code

BEA USE ONLY

122 123

Part IV Selected Financial and Operating Data This Part is to be completed in the case of all types of transactions covered by items 1 through 4 above.

For items 17 through 20 If item 1 above is marked - Where the investment represents the establishment of a new U.S. business enterprise, or the direct purchase of real estate, the data should be projections for or as of the end of the first full year of operations. Use projections made in the course of planning the investment if available; otherwise give best estimate. (Exception - For direct purchase of real estate, the asset value should be the value at time of closing.)

If item 2, 3, or 4 above is marked - Data should be for the fully consolidated U.S. business enterprise, or business segment or operating unit, acquired. Data should be for or as of the end of the most recent financial year preceding acquisition. Exclude from full consolidation all foreign business enterprises owned by this U.S. affiliate; include such foreign enterprises only by the equity or cost method of accounting. (See Section II.G. of Instructions.)

For item 21 If item 1 or 4 above is marked - The data should show the number of acres included in the purchase.

If item 2 or 3 above is marked - The data should show the number of acres owned by the new U.S. affiliate upon completion of the investment transaction.

16. Give ending date for the year that these Part IV data are for, or as of 130

17. Total assets (If assets are to be revalued due to the acquisition, show the value after revaluation) 131

18. Sales or gross operating revenues, excluding sales taxes (do not give gross margin) 132

19. Net income after provision for U.S. Federal, State, and local income taxes 133

20. Number of employees - Include part-time employees (See Section VIII. of Instructions.) 134

21. All acres of U.S. land owned, whether carried in a fixed asset, investment or other asset account - Give number to nearest whole acre 135

BEA USE ONLY 136

PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT - Enter name and address

Name, Address, City, State, ZIP

CERTIFICATION - The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with III.C. of the instructions, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

U.S. TELEPHONE NUMBER - Area code, Number, Extension

Print or type name and title, Date

Part V Investment Incentives and Services Provided by State or Local Governments (Including Quasi-government Entities).

This Part to be completed in the case of all types of transactions covered by items 1 through 4 above.

22. Were any specific State or local government incentives or related services (such as those detailed in items 24 through 26 below) received in connection with this investment transaction? 140 ¹ Yes ² No

23. If the answer to item 22 is "Yes," were these incentives or services a significant factor in the decision to invest in a given region of the United States or in a given State or local area? 141 ¹ Yes ² No

If the answer to item 22 is "Yes," indicate the category(ies) which most clearly describe the relevant State or local incentives or services. Mark (X) yes or no for each category to indicate whether or not the category is applicable, and complete item 27.

24. Taxation — Such as investment tax credit; tax exemption; and tax reduction or holiday. 142 ¹ Yes ² No

25. Financing programs — Such as industrial revenue bonds; direct loans or loan guarantees; credits from development credit corporations; grants; and preferential rates on loans or leases. 143 ¹ Yes ² No

26. Other — Such as State-financed recruiting programs, training programs, relocation services, studies, R&D assistance, road building, and other services or incentives that are of monetary value. 144 ¹ Yes ² No

27. State, or State of location of local government unit, from which the incentives or services were received. *(If more than one, enter all States from which received.)*

State	BEA USE	State	BEA USE	State	BEA USE
(a) _____	145 ¹ <input type="checkbox"/>	(b) _____	2 <input type="checkbox"/>	(c) _____	3 <input type="checkbox"/>

Part VI Identification of Foreign Parent and Ultimate Beneficial Owner, and Cost of Investment

This Part is being completed for (Mark (X) one of items 28 through 30.) —

28. ¹ The foreign parent that directly established or acquired the new U.S. affiliate

29. ¹ The existing U.S. affiliate of a foreign person that directly established a new U.S. affiliate or acquired a direct voting interest in a U.S. business enterprise of such a magnitude that the established or acquired enterprise becomes a new U.S. affiliate of the existing U.S. affiliate's foreign parent.

30. ¹ The existing U.S. affiliate of a foreign person that acquired a U.S. business enterprise, or business segment or operating unit of a U.S. business enterprise, and merged it into its own operations.

31. Name and address of either the foreign parent (including country) or existing U.S. affiliate that directly established or acquired the new U.S. affiliate or that merged the acquired business enterprise, etc., into its own operations.

Name 147

Street or P.O. Box 148

City and State 149

Country 150 BEA USE

32. If item 28 or 29 was marked, give the percent of direct ownership (voting) held by the foreign parent or existing U.S. affiliate named in item 31. Percent → 152 _____ %

33. If item 29 or 30 is marked, give the name and country of the foreign parent holding the direct, or indirect, ownership interest in the existing U.S. affiliate named in item 31. If more than one foreign parent, furnish, on a separate sheet, the information requested in items 33 through 41 for each additional foreign parent.

Name 153

Country 154 BEA USE

34. If item 29 or 30 is marked and if the existing U.S. affiliate named in item 31 is not directly owned by the foreign parent, give the name and address of the U.S. affiliate that is directly owned by the foreign parent and the percent of ownership by the foreign parent.

Name 156

Address 157

158

159 Percent _____ %

BEA USE 160

161

35. Industry code of foreign parent named in either item 31 or item 33. 162 Code — Secure code from page 2 of Form BE-607, which accompanies this BE-13 report.

36. Is the foreign parent named in either item 31 or 33 also the ultimate beneficial owner (UBO)? (See definition of UBO.) 163 ¹ Yes — If the answer is "YES," skip to item 41. ² No — If the answer is "NO," continue with item 37.

37. Is the UBO an individual? 164 ¹ Yes — If the answer to item 37 is "YES," then the name of the individual need not be given in item 38, but the country of residence of the individual must be given in item 39. ² No

38. Name of UBO 165

39. Country of UBO named in item 38, or of the individual who is the UBO if item 37 was answered "YES." BEA USE 166

40. Industry code of UBO named in item 38. 168 Code — Secure code from page 2 of Form BE-607, which accompanies this BE-13 report.

Item 41 must be completed unless industry code 01 or 02 (indicating ownership by a foreign government or government-run pension fund) is entered in either item 35 or item 40; if code 01 or 02 is entered in either item 35 or item 40, do not complete item 41, skip to item 42.

41. Does a foreign government (including a government-owned or -sponsored enterprise, or a quasi-government organization or agency) or a government-run pension fund have a combined direct and indirect voting ownership interest, or its equivalent, of 5% or more in the foreign parent, or any entity in the parent's chain of ownership up to, and including, the UBO?

169 ¹ Yes ² No { If "YES," give, on a separate sheet, the chain of ownership from the foreign parent to the government or government-run pension fund, showing at each level the name of, and the percent ownership held by, each entity in the entity below it.

NOTE — Information regarding the UBO and government ownership is essential; failure to properly complete items 36 through 41, to the extent required by the line instructions, will constitute an incomplete report, which will be returned to the reporter for completion.

42. If item 29 was marked, will data for the new U.S. affiliate be fully consolidated with that of the existing or another U.S. affiliate in other international investment reports filed with this Bureau?

170 ¹ Yes ² No { If "YES," give name under which consolidated report will be filed if it is not the name of the existing U.S. affiliate given in item 31 or item 34. —

171 BEA USE 172

(They must be consolidated if the ownership is more than 50 percent, except that separate reports may be filed where the new U.S. affiliate will not normally be fully consolidated due to unrelated operations, in accordance with generally accepted accounting principles, or lack of control, provided written permission has been requested from and granted by BEA.)

	AMOUNT			
	Bil.	Mil.	Thous.	Dols.
43. Cost of investment — For all types of transactions covered by items 1 through 4, give the value of the consideration given for the new interest acquired, at transactions, not book, value. Include cost of voting as well as other equity interests. Exclude cost, if any, entered in item 14. 173	\$			
44. Foreign funding — Enter the portion of the cost in item 43 provided by foreign parent(s) or foreign affiliates of the foreign parent(s), including borrowings by them. 174	\$			

BE-13 INITIAL REPORT ON A FOREIGN PERSON'S DIRECT OR INDIRECT ACQUISITION, ESTABLISHMENT, OR PURCHASE OF THE OPERATING ASSETS, OF A U.S. BUSINESS ENTERPRISE, INCLUDING REAL ESTATE

INSTRUCTIONS

INTRODUCTION

Purpose — BE-13 reports are required in order to obtain comprehensive initial data concerning new foreign direct investment in the United States that may affect the U.S. and foreign economies.

Authority — BE-13 reports are mandatory pursuant to the International Investment and Trade In Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108 as amended — hereinafter, "the Act"). In Section 3 of Executive Order 11961, the President designated the Department of Commerce as the federal agency responsible for collecting the required data on direct investment, and the Secretary of Commerce has assigned this responsibility to the Bureau of Economic Analysis. The implementing regulations are contained in Title 15 CFR Part 806.

This report has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.).

Penalties — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violation, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105).

Confidentiality — The information filed in this report may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of the information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are confidential and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person where the information supplied is identifiable as being derived from the records of such customer (22 U.S.C. 3104.)

Response to this inquiry is required by law. By the same law, your report to this Bureau is CONFIDENTIAL. It may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. The law also provides that copies retained in your files are immune from legal process.

I. DEFINITIONS

- A. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- B. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- C. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).
- D. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- E. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.
- F. Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.
- G. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- H. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
- I. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.
- J. Foreign parent** means the first foreign person in the ownership chain of the U.S. affiliate.
- K. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.
- L. Foreign affiliate of foreign parent** means, with reference to a given U.S. affiliate, any member of the affiliated foreign group owning the affiliate that is not a foreign parent of the affiliate.
- M. U.S. corporation** means a business enterprise incorporated in the United States.
- N. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.
- O. Intermediary** means an agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.

I. DEFINITIONS (Continued)

- P. Associated group** means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. Each of the following are deemed to be an associated group:
 - (1) Members of the same family,
 - (2) A business enterprise and one or more of its officers and directors,
 - (3) Members of a syndicate or joint venture, or
 - (4) A corporation and its domestic subsidiaries.

- Q. Ultimate beneficial owner (UBO)** is that person, proceeding up the ownership chain beginning with and including the foreign parent, that is not more than 50 percent owned or controlled by another person. (A person who creates a trust, proxy, power of attorney, arrangement, or device with the purpose or effect of divesting such owner of the ownership of an equity interest as part of a plan or scheme to avoid reporting information, is deemed to be the owner of the equity interest.)

II. GENERAL INSTRUCTIONS

A. Who must report

BE-13, Initial Report on a Foreign Person's Direct or Indirect Acquisition, Establishment, or Purchase of the Operating Assets, of a U.S. Business Enterprise, Including Real Estate, must be completed either:

- a)** by a U.S. business enterprise when a foreign person establishes or acquires directly, or indirectly through an existing U.S. affiliate, a 10 percent or more voting interest in that enterprise, including an enterprise that results from the direct or indirect acquisition by a foreign person of a business segment or operating unit of an existing U.S. business enterprise that is then organized as a separate legal entity; or
- b)** by the existing U.S. affiliate of a foreign person when it acquires a U.S. business enterprise, or a business segment or operating unit of a U.S. business enterprise, that the existing U.S. affiliate merges into its own operations rather than continuing or organizing as a separate legal entity.

A separate report must be filed for each foreign parent or existing U.S. affiliate that is a party to the transaction. However, where more than one foreign parent or existing U.S. affiliate is party to the transaction, Part IV need be completed on only one report.

NOTE—Real estate purchased for other than personal use constitutes a "business enterprise."

B. Exclusions and exemptions —

- a)** Residential real estate held exclusively for personal use and not for profitmaking purposes is not subject to the reporting requirements. A U.S. residence which is an owner's primary residence that is then leased by the owner while outside the United States but which the owner intends to reoccupy, is considered real estate held for personal use. Ownership of residential real estate by a corporation whose sole purpose is to hold the real estate and where the real estate is for the personal use of the individual owner(s) of the corporation, is considered real estate held for personal use.
- b)** An existing U.S. affiliate is exempt from reporting the acquisition of a U.S. business enterprise, or a business segment or operating unit of a U.S. business enterprise, that it then merges into its own operations, if the total cost of the acquisition was \$1,000,000 or less, and does not involve the purchase of 200 acres or more of U.S. land. (If the acquisition involves the purchase of 200 acres or more of U.S. land, it must be reported regardless of the total cost of the acquisition.)
- c)** An established or acquired U.S. business enterprise, as consolidated, is exempt if its total assets (not the foreign parent's or existing U.S. affiliate's share) at the time of acquisition or immediately after being established, were \$1,000,000 or less and it does not own 200 acres or more of U.S. land. (If it owns 200 acres or more of U.S. land, it must report regardless of the value of total assets.)

If exempt under (b) or (c), Supplement C, "Exemption Claim, Form BE-13," which accompanies this Form, must be filed to validate the exemption.

NOTE: All exempt U.S. affiliates should be aware of the quarterly and annual surveys of foreign direct investment in the United States (Forms BE-15, BE-605, and BE-606B) conducted by this Bureau and the exemption criteria pertaining to each (see 15 CFR Part 806.15). If a U.S. affiliate is exempt on Form BE-13, it is also exempt from filing in any of the quarterly or annual surveys at this time. However, if through internal growth, acquisitions, new infusions of capital, the purchase of land, etc., a previously exempt affiliate exceeds the exemption criteria of the quarterly and annual surveys in the future, it is the affiliate's legal responsibility to secure and file the appropriate forms. In the year that the quinquennial BE-12 benchmark survey is conducted, this Bureau will mail forms to each U.S. affiliate on our mailing list, including those exempted from filing in other surveys. If a U.S. affiliate is exempt from filing in the BE-12 survey, it may file a claim for exemption at that time.

C. Determining whether an individual is a foreign person or a U.S. person based on residence — An individual will be considered a resident of, and subject to the jurisdiction of, the country in which physically located, subject to the following qualifications:

- 1. Individuals who reside, or expect to reside, outside their country of citizenship for less than one year are considered to be residents of their country of citizenship.
- 2. Individuals who reside, or expect to reside, outside their country of citizenship for one year or more are considered to be residents of the country in which they are residing, except as provided in 3 below.
- 3. Notwithstanding 2, if an owner or employee of a business enterprise resides outside the country of location of the enterprise for one year or more for the purpose of furthering the business of the enterprise, and the country of the business enterprise is the country of citizenship of the owner, then such owner or employee shall nevertheless be considered a resident of the country of citizenship provided there is the intent to return within a reasonable period of time.
- 4. Individuals and members of their immediate families who are residing outside their country of citizenship as a result of employment by the government of that country — diplomats, consular officials, members of the armed forces, etc. — are considered to be residents of their country of citizenship.

II. GENERAL INSTRUCTIONS (Continued)

- D. Reporting by intermediaries** — If a particular foreign direct investment in the United States is held, exercised, administered, or managed by a U.S. intermediary for the foreign beneficial owner, such intermediary shall be responsible for reporting the required information for, and in the name of, the new U.S. affiliate, and shall report on behalf of the new U.S. affiliate or shall instruct the new U.S. affiliate to submit the required information. Upon so instructing the new U.S. affiliate, the intermediary shall be released from further liability to report provided it has informed this Bureau of the date such instructions were given and the name and address of the U.S. affiliate, and has supplied the new U.S. affiliate with any information in the possession of, or which can be secured by, the intermediary that is necessary to permit the new U.S. affiliate to complete the required reports. If the new U.S. affiliate is in the form of real property that includes no entity from which a report can be solicited, the U.S. intermediary of the foreign beneficial owner is required to report. When acting in the capacity of an intermediary, the accounts or transactions of the U.S. intermediary with a foreign beneficial owner shall be considered as accounts or transactions of the new U.S. affiliate with the foreign beneficial owner. To the extent such transactions or accounts are unavailable to the new U.S. affiliate, they may be required to be reported by the intermediary.
- E. Unusual reporting situations** — It may be unclear from the forms and related instructions how certain unusual situations should be reported. This will be true particularly where there is a combination of direct plus indirect ownership interests, or where members of an affiliated foreign group have, or acquire, more than one fractional interest of less than 10 percent, but which in total adds to more than a 10 percent interest when all lines of ownership are considered. Rather than further complicating the instructions by trying to allow for all possible reporting situations, we request that those who must report for an unusual situation call us to discuss how best to report it.
- F. Consolidated reporting by a new U.S. affiliate** — A new U.S. affiliate shall file Form BE-13 on a fully consolidated basis, including in the consolidation all other U.S. affiliates in which it directly or indirectly owns more than 50 percent of the outstanding voting stock. (Foreign subsidiaries of the new U.S. affiliate are not to be included in the consolidation, except as provided below under the equity method of accounting.) However, separate reports may be filed where a given U.S. affiliate is not normally consolidated due to unrelated operations or lack of control, provided written permission has been requested from and granted by BEA. Hereinafter, the consolidated entity is considered to be one U.S. affiliate.
- A U.S. affiliate that is not consolidated must file its own Form BE-13.
- G. Equity method of accounting** — Investments by the new U.S. affiliate in business enterprises not included in the consolidation and which are 20 percent or more owned shall be accounted for following the equity method of accounting. However, in these cases, intercompany items are not to be eliminated.
- H. Business segment** — Business segment as used in these reports is not limited to those "segments" meeting the criteria set forth in Financial Accounting Standards Board Statement Number 14.
- I. Calculation of total ownership percentage** — A person's ownership interest in a given business enterprise may be held directly or indirectly or both. It is directly held if the person itself holds the ownership interest in the enterprise. It is indirectly held if the person holds an ownership interest in another business enterprise that, in turn, owns the given business enterprise. A person's percentage of indirect voting ownership in a given business enterprise is the product of the person's direct voting ownership percentage in the first business enterprise in the ownership chain times that first enterprise's direct voting ownership percentage in the second business enterprise times each succeeding direct voting ownership percentage of each other intervening business enterprise in the ownership chain between the person and the given business enterprise. If more than one chain of ownership between the person and the given business enterprise exists, the percentages of direct and indirect ownership in all chains are summed to determine the person's total ownership percentage.

III. ACCOUNTING METHODS AND REPORTING PROCEDURES

- A. Accounting methods and records** — Generally accepted U.S. accounting principles should be followed. Corporations should generally use the same methods and records that are used to generate reports to stockholders except where the instructions indicate a variance.
- B. Annual stockholder's report** — U.S. affiliates issuing annual reports to stockholders are requested to furnish a copy of their annual report to this Bureau.
- C. Estimates** — If actual figures are not available, estimates should be supplied and labeled as such. When a data item cannot be fully subdivided as required, a total and an estimated breakdown of the total should be supplied.
- D. Space on form insufficient** — When space on a form is insufficient to permit a full answer to any item, the required information should be submitted on supplementary sheets, appropriately labeled and referenced to the item number and the form or supplement.
- E. Figures such as the number of acres and the number of employees should be reported to the nearest whole unit.**
- F. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). Do not enter amounts in the shaded portions of each line.**
- EXAMPLE:** If amount is \$1,334,615.00, report as:
- | Bil. | Mil. | Thous. | Dols. |
|------|------|--------|-------|
| | | | |
- G.** If an item is between + or - \$500.00 enter "0".
- H.** Use parentheses to indicate negative numbers.

IV. FILING REPORTS

- A. Due date** — Form BE-13 is due no later than 45 days after the investment transaction occurs. NOTE: Form BE-607, Industry Classification Questionnaire, must also be completed by a new U.S. affiliate and returned with the completed Form BE-13.
- B. Extension** — Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days prior to the due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such requests.
- C. Assistance** — If there are any questions concerning the report, telephone (202) 523-0547 during office hours — 8:00 to 4:00, eastern time.

IV. FILING REPORTS (Continued)

- D. Number of copies** — A single original copy of each form is to be filed with the Bureau of Economic Analysis. In addition, each person filing a form must retain a copy to facilitate resolution of any problems that may arise covering the data reported. (Both copies are protected by law; see statement on confidentiality in the Introduction.) File copies should be retained for 3 years after the date on which the form is due.
- E. Where to send report** — Return reports to U.S. Department of Commerce, Bureau of Economic Analysis, BE-50 (IN) Washington, DC 20230.

V. SPECIAL INSTRUCTIONS FOR INSURANCE COMPANIES

When there is a difference, the financial and operating data are to be prepared on the same basis as an annual report to the stockholders, rather than on the basis of an annual statement to an insurance department. Valuation should be according to normal commercial accounting procedures, not at the rates promulgated by the National Association of Insurance Commissioners. Include both nonadmitted assets not acceptable for the annual statement to an insurance department and trusted, as well as non-trusted, assets. Specific instructions for income statement items are:

Costs and expenses relating to operations (to be used in determining net income) — Include costs relating to sales or gross operating revenues, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.

Sales or gross operating revenues, excluding sales taxes — Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from foreign affiliates.

VI. SPECIAL INSTRUCTIONS FOR REAL ESTATE

If a business enterprise, otherwise required to report, is in the form of real property not identifiable by name, reports are required to be filed by and in the name of the beneficial owner, or in the name of such beneficial owner by the intermediary of such beneficial owner.

Part I, items 1 through 4:

The direct purchase of real estate — unimproved land, farms, office buildings, shopping centers, etc. — shall be considered to be an item 1 transaction except where the purchase is effected by buying shares in an existing corporation, in which case it will be an item 2 transaction.

Part II:

Item 6 — for real estate investments being reported, BEA is not seeking a legal description of the property, nor necessarily the address of the property itself. Since there may be no operating business enterprise as such for the investment, what is wanted is a consistently identifiable investment (i.e., U.S. affiliate) together with an address to which report forms can be mailed so that the investment (affiliate) can be reported on a consistent basis from survey to survey, or period to period. Thus, in item 6, the "name and address" of the U.S. affiliate might be:

XYZ Corp. N.V., Real Estate Investments; c/o B&K Inc., Accountants;
120 Major Street; Miami, FL XXXXX

If the investment property has a name, such as Sunrise Apartments, Acme Building, etc., the name and address in item 6 might be:

Sunrise Apartments; c/o ABC Real Estate;
120 Major Street; Miami, FL XXXXX

Items 8 through 12 — If the new U.S. affiliate is not incorporated, give the percent ownership in item 8 for direct purchases by the foreign parent; and in item 9 for direct purchases by an existing U.S. affiliate.

VII. SPECIAL INSTRUCTIONS CONCERNING THE ESTABLISHMENT OF A HOLDING COMPANY, WITH MINIMAL CAPITALIZATION, PREPARATORY TO ACQUIRING OR ESTABLISHING A U.S. BUSINESS ENTERPRISE

The following procedures attempt to minimize reporting of multiple step transactions that would otherwise require the filing of several BE-13 reports or exemption claims. The transaction date for reporting an initial investment in a U.S. holding company, or similar entity, by a foreign person or by an existing U.S. affiliate of a foreign person may be deferred from the date of the initial investment if:

- (1) The initial capitalization (both debt and equity) of the U.S. holding company, or similar entity, is \$5,000,000 or less, and
- (2) The purpose of setting up the U.S. holding company, or similar entity, is to facilitate the subsequent acquisition of a U.S. business enterprise or to establish an operating U.S. affiliate, within 180 days.

A report must be filed within 45 days of the completion of the holding company's acquisition of the U.S. business enterprise or the establishment of an operating U.S. affiliate. When the BE-13 is filed, if the holding company has not been dissolved, the report must fully consolidate the holding company and the newly acquired or established U.S. affiliate. The cost of investment, item 43, must account for all funds for both investments. A brief letter of explanation describing the situation and transaction dates should accompany the filing.

In order to qualify for this deferral, the secondary investment transaction must occur within 180 days of the acquisition or establishment of the holding company. If it does not, a BE-13 report (or exemption claim) must be filed by the U.S. holding company no later than 45 days beyond the 180-day deferral period.

VIII. SPECIFIC INSTRUCTIONS FOR REPORTING EMPLOYMENT

Employment (item 20) should relate to all employees regardless of whether they are engaged in an activity the cost of which was, or will be, charged as an expense on the income statement, charged to inventories, or capitalized. Include part-time and full-time workers, but exclude home workers and independent sales personnel who are not employees. Where the investment being reported represents the acquisition of a U.S. business enterprise, business segment, or operating unit (i.e., item 2, 3, or 4, of Form BE-13 is marked), give the number of employees as of the ending date for the year shown in item 16. Employment as of a different date during the year may be used if employment did not vary significantly during the year. If a strike or other disruption was in progress at the end of the year, give a number that reflects normal operations. If a business activity involves large seasonal variation, give a number that reflects an average for the year. Where the investment being reported represents the establishment of a new U.S. business enterprise (i.e., item 1 of Form BE-13 is marked), give the number of persons expected to be on the payroll at the end of the first full year of operations.

TEAR OFF — DO NOT RETURN INSTRUCTIONS

EXEMPTION CLAIM, FORM BE-13

(Initial Report on a Foreign Person's Direct or Indirect Acquisition, Establishment, or Purchase of the Operating Assets, of a U.S. Business Enterprise, Including Real Estate)

Response to this inquiry is required by law. By the same law, your report to this Bureau is CONFIDENTIAL. It may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. The law also provides that copies retained in your files are immune from legal process.

RETURN COMPLETED FORM TO

U.S. Department of Commerce Bureau of Economic Analysis BE-50 (IN) Washington, DC 20230

NOTE: Real estate purchased for other than personal use constitutes a "business enterprise."

I have reviewed the instructions for the BE-13 Report and determined that we are not required to file a Form BE-13 for the following reason Mark (X) one of items 1 through 5

1. 01 [] This U.S. business enterprise is not a U.S. affiliate of a foreign person, i.e., is not owned to the extent of 10 percent or more, directly or indirectly, by a foreign person.

2. 02 [] This acquisition is exempt from being reported because the U.S. business enterprise, or the business segment or operating unit of a U.S. business enterprise, was acquired by an existing U.S. affiliate who then merged it into its own operations and the total cost of the acquisition was \$1,000,000 or less, and did not involve the purchase of 200 acres or more of U.S. land. (If it involves 200 acres or more of U.S. land, it must be reported regardless of the total cost of the acquisition.) Enter the total cost and number of acres of land involved.

Table with columns: Amount (Bil., Mil., Thous., Dols.), Total cost 03 \$, Number, Acres (to nearest whole acre) 04

3. 05 [] This acquisition is not required to be reported since it represents U.S. real estate acquired by a foreign person(s) held exclusively for personal use and not for profitmaking purposes.

4. 06 [] This U.S. business enterprise is a U.S. affiliate of a foreign person but is exempt because, on a fully consolidated basis

(a) Total assets (not the foreign parent's or existing U.S. affiliate's share) at the time of acquisition or immediately after being established were \$1 million or less;

and

(b) The U.S. affiliate does not own 200 acres or more of U.S. land (if the U.S. affiliate owns 200 acres or more of U.S. land, it must report regardless of the value of the total assets).

Enter value or amount for each

i. Total assets (do not net out liabilities) 07 \$

ii. Sales or gross operating revenues, excluding sales taxes (do not give gross margin) 08 \$

iii. Net income after provision for U.S. income taxes 09 \$

iv. Number of acres of U.S. land owned (To nearest whole acre) 10

Table with columns: Amount (Bil., Mil., Thous., Dols.), Number

and complete the following

i. Country of foreign parent

ii. Country of ultimate beneficial owner

BEA USE ONLY table with 3 columns and 3 rows

5. 14 [] Other - Specify and include reference to section of regulations or instructions on which claim is based.

Blank area for specifying other exemption reasons

6. If item 2 or item 4 was marked, give date transaction was completed.

Table for date: MONTH, DAY, YEAR

7. Name and address (enter in blocks below, as appropriate; leave one block between words)

- (i) If item 1, 3, or 5 was marked, give name and address of the U.S. business enterprise (including real estate) for whom claim is made.
(ii) If item 2 was marked, give name and address of existing U.S. affiliate making the acquisition.
(iii) If item 4 was marked, give name and address of the new U.S. affiliate.

Name

16 Street or P.O. Box

17 City and State ZIP Code

18

U.S. PERSON FOR BEA TO CONSULT ABOUT THIS CLAIM Enter name and address

U.S. TELEPHONE NUMBER

Table for U.S. Telephone Number: Area code, Number, Extension

CERTIFICATION

The undersigned official certifies that the information contained in this report is correct and complete to the best of his/her knowledge.

Authorized official's signature

Print or type name and title

Date

Part III. INFORMATION RELATED TO JOINT VENTURE

This Part is to be completed only if item 3 above was marked.

11. Name and address, including country, of foreign person that joint venture is with

Name of foreign person	
Street or P.O. Box	
City and State	ZIP Code
Country	

12. Name and address of U.S. business enterprise created

Name of U.S. business enterprise	
Street or P.O. Box	
City and State	ZIP Code

13. Foreign person's percent ownership of voting rights in joint venture

_____ %

14. Name and address to which future direct investment report forms for the joint venture should be sent.

Name	
Street or P.O. Box	
City and State	ZIP Code

Determining Whether an Individual is a Foreign Person or a U.S. Person Based on Residence

An individual will be considered a resident of, and subject to the jurisdiction of, the country in which physically located, subject to the following qualifications:

- (a) Individuals who reside, or expect to reside, outside their country of citizenship for less than one year are considered to be residents of their country of citizenship.
- (b) Individuals who reside, or expect to reside, outside their country of citizenship for one year or more are considered to be residents of the country in which they are residing, except as provided in (c) below.
- (c) Notwithstanding (b), if an owner or employee of a business enterprise resides outside the country of location of the enterprise for one year or more for the purpose of furthering the business of the enterprise, and the country of the business enterprise is the country of citizenship of the owner, then such owner or employee shall nevertheless be considered a resident of the country of citizenship provided there is the intent to return within a reasonable period of time.
- (d) Individuals and members of their immediate families who are residing outside their country of citizenship as a result of employment by the government of that country – diplomats, consular officials, members of the armed forces, etc. – are considered to be residents of their country of citizenship.

DEFINITIONS

- A. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- B. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- C. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).
- D. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- E. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.
- F. Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.
- G. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- H. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
- I. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.
- J. Foreign parent** means the first foreign person in the ownership chain of the U.S. affiliate.
- K. U.S. corporation** means a business enterprise incorporated in the United States.
- L. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.
- M. Banking** includes business enterprises engaged in deposit banking, Edge Act corporations engaged in international or foreign banking, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, and bank holding companies, i.e., holding companies for which over 50 percent of their total income is from banks which they hold. (U.S. branches of foreign banks are U.S. persons; conversely, foreign branches of U.S. banks are foreign persons.)
- N. Intermediary** means an agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.
- O. Associated group** means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. Each of the following are deemed to be an associated group:
 - (1) Members of the same family,
 - (2) A business enterprise and one or more of its officers and directors,
 - (3) Members of a syndicate or joint venture, or
 - (4) A corporation and its domestic subsidiaries,

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Name of foreign person	
Street or P.O. Box	
City and State	ZIP Code
Country	

12. Name and address of U.S. business enterprise created

Name of U.S. business enterprise	
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_____ % Percent

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- (c) Notwithstanding (b), if an owner or employee of a business enterprise resides outside the country of location of the enterprise for one year or more for the purpose of furthering the business of the enterprise, and the country of the business enterprise is the country of citizenship of the owner, then such owner or employee shall nevertheless be considered a resident of the country of citizenship provided there is the intent to return within a reasonable period of time.
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- F. Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.
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- I. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.
- J. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.
- K. U.S. corporation** means a business enterprise incorporated in the United States.
- L. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.
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This historical survey form is no longer valid and is for information purposes only. Current survey forms are at www.bea.gov/help/information-for-survey-respondents.