









**Part I IDENTIFICATION OF U.S. AFFILIATE — Continued**

**19. 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 any foreign parent, or any entity in the parent's chain of ownership up to and including the ultimate beneficial owner (UBO)?**

**BEA USE ONLY**

2		
---	--	--

1071 <sup>1</sup>  **1** Yes — Enter country of the government \_\_\_\_\_

<sup>1</sup>  **2** No

If the answer to item 19 is "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. See **Instructions, III.B.**, for method of calculating indirect ownership.

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

**20. Major activity of fully consolidated U.S. affiliate — Mark (X) one**

A list, and explanation of, the NAICS-based International Surveys Industry (ISI) codes used below are given in the *Guide to Industry and Foreign Trade Classifications for International Surveys*. For an inactive affiliate, indicate the activity pertinent to the last active period; for "start-ups," show the intended activity.

1072 <sup>1</sup>  **1** **Production of goods** — The U.S. affiliate is primarily engaged in construction or in mining or extracting (including exploration and development), manufacturing, fabricating, assembling, processing, or growing a good. These activities are coded in 1110 through 1140, 2111 through 2127, 2330 through 2350, and 3111 through 3399 of the list of ISI codes.

<sup>1</sup>  **2** **Sales of goods** — The U.S. affiliate is primarily engaged in selling (at wholesale or retail) goods that it does **not** produce. These activities are coded in 4211 through 4540 of the list of ISI codes. If the goods sold are produced by the U.S. affiliate, box "1" should be marked.

<sup>1</sup>  **3** **Services** — The U.S. affiliate is primarily engaged in providing a service such as *utilities; transportation and warehousing; information, including newspaper, periodical, book, and database publishers, and software publishers; finance and insurance; professional, scientific, and technical services; holding companies; administrative and support, waste management and remediation; accommodations and food services, including restaurants and eating places; etc.* These activities are coded in 1150, 2132, 2133, 2211 through 2213, 4810 through 4939, and 5111 through 8130, except 5310, of the list of ISI codes.

<sup>1</sup>  **4** **Real estate** — The U.S. affiliate is either real property or is primarily engaged in investing in, or operating, managing, developing, leasing, or acting as an agent or broker of, real estate. These activities are coded in 5310 of the list of ISI codes.

**21. What is the major product or service involved in this activity? If a product, also state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, transported, packaged, etc. (For example, "manufacture widgets to sell at wholesale.")**

**Industry classification of fully consolidated U.S. affiliate** (based on sales or gross operating revenues) — Enter the 4-digit NAICS-based ISI code(s) and the sales (as defined in item 53) associated with each code. For a full explanation of each code, see the *Guide to Industry and Foreign Trade Classifications for International Surveys*. If you use fewer than ten codes, you must account for total sales in items 22 through 30. For an inactive affiliate, show the industry classification(s) based on its last active period; for "start-ups" with no sales, show the intended activity(ies).

Holding companies (ISI code 5512) must show total income as reported in item 57. Note, however, that a U.S. affiliate that is a conglomerate must determine its industry code based on the activities of the fully consolidated U.S. business enterprise. The "holding company" classification, therefore, is often an invalid industry classification for a conglomerate. Call BEA for further assistance if this is the U.S. affiliate's apparent classification.

Include in column (3) all employees, including part time employees, on the payroll at the end of FY 1999, associated with each code. (For employees engaged in manufacturing activities, see also instructions to column (4) on page 9). A count taken at some other date during the reporting period may be given provided it is a reasonable proxy for the number on the payroll at the end of FY 1999. See **Instructions, V.B.**, if employment is subject to unusual variations.

**NOTES:** 1. If total sales are not accounted for in items 22 through 31, BEA will, if necessary, contact the U.S. Reporter for additional details.

2. For most U.S. Reporters, the employment distribution in column (3) is not proportional to the sales distribution in column (2). Therefore, do not distribute employment in column (3) in proportion to sales in column (2).

ISI code (1)	Sales (2)				Number of employees engaged in activities encompassed in each industry code in column (1) (3)
	Bil.	Mil.	Thous.	Dols.	
22. Enter code with largest sales	1164	2			3
23. Enter code with 2nd largest sales	1165	2			3
24. Enter code with 3rd largest sales	1166	2			3
25. Enter code with 4th largest sales	1167	2			3
26. Enter code with 5th largest sales	1168	2			3
27. Enter code with 6th largest sales	1169	2			3
28. Enter code with 7th largest sales	1170	2			3
29. Enter code with 8th largest sales	1171	2			3
30. Enter code with 9th largest sales	1176	2			3
31. Enter code with 10th largest sales	1177	2			3
32. Number of employees of administrative offices and other auxiliary units — Include employees on the payrolls of administrative offices and other auxiliary units. Include employees at administrative offices and auxiliary units located away from operating units. Exclude administrative or auxiliary employees that are located at an operating unit and serve only that operating unit (these employees must be reported in the industry of the operating unit in lines 22 through 31 above). See <b>Instructions, V.B.3.</b>	1178				3
33. Sales and employees accounted for — Sum of items 22 through 32	1172	2			3
34. Sales and employees not accounted for above — Item 31 must have an entry	1173	2			3
35. TOTAL sales and employees — Sum of items 33 and 34, columns (2) and (3) (Total sales must equal item 53.)	1174	2			3

**BEA USE ONLY**

1200	1	2	3	4	5
1201	1	2	3	4	5
1202	1	2	3	4	5
1203	1	2	3	4	5



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE**

*Report all amounts in thousands of U.S. dollars.*

**Section A — BALANCE SHEET**

NOTE — Disaggregate all asset and liability items in the detail shown; in particular, show receivables and payables between the affiliate and the foreign parent in the proper asset and liability accounts of the affiliate rather than as a net amount. Include asset and liability items of the U.S. affiliate that are carried only on an owner's books.

• ASSETS

**36. Cash items** — Deposits in financial institutions and other cash items. *Do NOT include overdrafts here as negative cash. Note* — Although including CD's in CASH is permitted by generally accepted accounting principles, **exclude** from cash, CD's and other deposits of the U.S. affiliate held by the foreign parent(s) or foreign affiliates of the foreign parent(s). Include them in item 37, current receivables, below.

		BALANCES							
		Close FY 1999 (1)				Close FY 1998 (Unrestated) (2)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
2101	\$					\$			
2102									
2104									
2105									
2106									
2107									
2108									
2109	\$					\$			
2111	\$					\$			
2113									
2114	\$					\$			
2116	\$					\$			
2117									
2118	(					(			
2119									
2120	\$					\$			

**37. Current receivables** — Trade accounts, trade notes, and other current receivables, net of allowances for doubtful items. Include certificates of deposit (CD's) and other deposits held by the foreign parent(s) or foreign affiliates of the foreign parent(s). (See note in item 36 above)

**38. Inventories** — Land development companies, exclude land held for resale (include in item 39); finance and insurance companies, exclude inventories of marketable securities (include in item 39 or item 42, as appropriate).

**39. Other current assets, including land held for resale and current marketable securities.**

**40. Equity investment in all unconsolidated U.S. affiliates and foreign business enterprises** — For U.S. affiliates and foreign business enterprises owned 20 percent or more (including those that are majority-owned), report on the equity basis to include equity in undistributed earnings since acquisition; for U.S. affiliates and foreign business enterprises owned less than 20 percent, report at cost.

**41. Property, plant, and equipment, net** — Include land, timber, mineral rights, structures, machinery, equipment, special tools, deposit containers, construction in progress, and capitalized tangible and intangible exploration and development costs of the affiliate, at historical cost net of accumulated depreciation, depletion, and amortization. Include items on capital leases from others, per FASB 13. Exclude all other types of intangible assets, and land held for resale. (An unincorporated affiliate should include items owned by its foreign parent but which are in the affiliate's possession whether or not carried on the affiliate's own books or records.)

**42. Other noncurrent assets** — Include other equity investments whether carried at cost or on an equity basis; other investments; intangible assets, net of amortization; and all noncurrent assets not shown in item 40 or 41 above. — Specify

**43. TOTAL ASSETS — Sum of items 36 through 42** —————>

• LIABILITIES

**44. Current liabilities and long-term debt** — Trade accounts, trade notes, other current liabilities, and long-term debt.

**45. Other noncurrent liabilities** — Items other than those identifiable as long-term debt, such as deferred taxes and underlying minority interest in consolidated U.S. subsidiaries. — Specify

**46. TOTAL LIABILITIES — Sum of items 44 and 45** —————>

• OWNERS' EQUITY

**47. Capital stock and additional paid-in capital** — Common and preferred, voting and non-voting capital stock and additional paid-in capital.

**48. Retained earnings (deficit)** — Also include valuation allowance for marketable equity securities per FASB 115.

**49. Translation adjustment** — Balance at year end (per FASB 52).

**50. Treasury stock**

**51. Other** — Specify

**52. TOTAL OWNERS' EQUITY (INCORPORATED OR UNINCORPORATED U.S. AFFILIATE)** — Sum of items 47 through 51 for incorporated U.S. affiliates and those unincorporated U.S. affiliates for which this breakdown is available. For those unincorporated U.S. affiliates that cannot provide a breakdown for items 47 through 51, report total owners' equity in this item. For both incorporated and unincorporated U.S. affiliates, total owners' equity must equal item 43 minus item 46. —————>

**Section B — INCOME STATEMENT**

• INCOME

**53. Sales or gross operating revenues, excluding sales taxes** — Gross sales minus returns, allowances, discounts, or gross operating revenues, both exclusive of sales or consumption taxes levied directly on the consumer and excise taxes levied directly on manufacturers, wholesalers, and retailers.

**54. Income from equity investments in unconsolidated business enterprises (domestic and foreign)** — For those owned 20 percent or more (including those that are majority-owned), report equity in earnings during reporting period; for those owned less than 20 percent, report dividends received. Do not include any interest income.

**55. Certain realized and unrealized gains (losses)** — Include gains (losses) before income tax effect (include income taxes in item 59 on page 5) from —

- a. Sale, disposition, or revaluation of investment securities (dealers in securities, other finance companies, and insurance companies, see **Instructions**, V.A.);
- b. Sale, disposition, or revaluation of land, other property, plant and equipment, or other assets (real estate companies, see **Instructions**, V.A.);
- c. Remeasurement of the U.S. affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period and transaction gains (losses) taken to income in accordance with FASB 52;
- d. Extraordinary items (except those resulting from legal judgements and accidental damage to fixed assets); and
- e. Unusual or infrequently occurring items.

**56. Other income** — Non-operating and other income not included above. — Specify

**57. TOTAL INCOME — Sum of items 53 through 56** —————>

Amount  
(1)

		Bil.	Mil.	Thous.	Dols.
2149	\$				
2150					
2151					
2152					
2153	\$				



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE — Continued**

Report all amounts in thousands of U.S. dollars.

**Section B — INCOME STATEMENT — Continued**

• COSTS AND EXPENSES

**58. Cost of goods sold or services rendered, and selling, general, and administrative expenses** — Operating expenses that relate to sales or gross operating revenues, item 53, and selling, general, and administrative expenses. Include production royalty payments to governments, their subdivisions and agencies, and to other persons. Include depletion charges representing the amortization of the actual cost of capital assets, but exclude all other depletion charges.

Amount (1)			
Bil.	Mil.	Thous.	Dols.

1			
\$			

**59. Income taxes** — Provision for U.S. Federal, State, and local income taxes. Exclude production royalty payments.

1			
---	--	--	--

**60. Other costs and expenses not included above, including underlying minority interest in profits that arise out of consolidation.** — Specify ↘

1			
---	--	--	--

**61. TOTAL COSTS AND EXPENSES** — Sum of items 58 through 60

1			
\$			

• NET INCOME

**62. Net income after provision for U.S. Federal, State, and local income taxes** — Item 57 minus item 61.

1			
\$			

**Section C — CHANGE IN RETAINED EARNINGS OF INCORPORATED U.S. AFFILIATE, OR IN TOTAL OWNERS' EQUITY OF UNINCORPORATED U.S. AFFILIATE**

**63. Balance, close FY 1998 before restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles, if any** — Incorporated affiliate, enter amount from item 48, column (2); unincorporated affiliate, enter amount from item 52, column (2).

1			
\$			

**64. Increase (decrease) to FY 1998 closing balance resulting from restatement due to a change in the entity or a change in accounting methods or principles.** — Specify reasons for change ↘

1			
---	--	--	--

**65. FY 1998 closing balance as restated** — Item 63 plus item 64.

1			
\$			

**66. Net income** — Enter amount from item 62.

1			
---	--	--	--

**67. Dividends or remitted earnings** — Incorporated affiliate, enter amount of dividends declared, inclusive of withholding taxes, out of current- or prior-period income, on common and preferred stock, excluding stock dividends. Unincorporated affiliate, enter amount of current- or prior-period net income distributed to owners.

1			
---	--	--	--

**68. Certain realized and unrealized gains (losses), after tax effect, that were not included in the determination of net income and therefore excluded from item 55, but that were taken directly to retained earnings or a surplus account for an incorporated affiliate, or to owners' equity for an unincorporated affiliate** — Include valuation allowance for marketable equity securities per FASB 115. Report amount after giving effect to income tax liability (benefit), if any, on the gains (losses). See Instructions, V.A. — Specify ↘

1			
---	--	--	--

**69. Other increases (decreases) in retained earnings of an incorporated affiliate, including stock or liquidating dividends, or in total owners' equity of an unincorporated affiliate, including capital contributions (return of capital).** — Specify ↘

1			
---	--	--	--

**70. FY 1999 closing balance** — Sum of items 65, 66, 68, and 69 minus item 67; also for incorporated affiliate, equals item 48, column (1), and for unincorporated affiliate, equals item 52, column (1).

1			
\$			

**Section D — DISTRIBUTION OF SALES OR GROSS OPERATING REVENUES**

Distribute sales or gross operating revenues among three categories — sales of goods, sales of services, and investment income. The disaggregation of sales by category should be consistent with the industry codes reported in column 1 of items 22 through 31 (industry classification of fully consolidated U.S. affiliate).

Sales of goods are usually associated with industry codes 1110 through 1140, 2111 through 2127, and 2330 through 4540. However, report sales of structures as goods when sold by a real estate firm (industry code 5310) or by a firm in the construction industry (industry codes 2330 through 2350). Report sales of goods on line 72.

Sales of services are usually associated with industry codes 1150, 2132 through 2213, and 4810 through 8130. Report sales of services on line 74. Some companies such as finance and insurance companies (industry codes 5223, 5224, 5231 through 5252, and 5331) include services (e.g., explicit fees and commissions), and investment income (e.g., interest and dividends) in gross operating revenues. Therefore, companies in these industries must report investment income on line 73 and services income on line 74. (Insurance companies see **Special Instructions** IV.A. on page 17.)

Report sales in industry code 5112 (Software publishers) and sales of software designed to meet the needs of specific users (industry code 5415 — computer systems design and related services) on line 74 (sales of services). Report the wholesale and retail trade of prepackaged software included under industry codes 4214 (professional and commercial equipment and supplies) and 4431 (electronics and appliance stores) on line 72 (sales of goods). Also, report the mass duplication of software included under industry code 3346 (manufacturing and reproducing magnetic and optical media) on line 72.

When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify the sales as goods or services based on whichever accounts for a majority of the value. Give best estimates if actual figures are not available.

See the *Guide to Industry and Foreign Trade Classification for International Surveys* for an explanation of each industry code.

**71. TOTAL SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES** —

Equals item 53, and also sum of items 72 through 74

Amount (1)			
Bil.	Mil.	Thous.	Dols.

1			
\$			

**72. Sales of goods**

1			
\$			

**73. Investment income included in gross operating revenues (e.g., by finance and insurance companies)**

1			
\$			

**74. SALES OF SERVICES, TOTAL** — Sum of items 75 through 78

1			
\$			

**75. To U.S. persons**

1			
---	--	--	--

**76. To foreign parent(s) and foreign affiliates of the foreign parent(s) of this U.S. affiliate**

1			
---	--	--	--

**77. To foreign affiliates of this U.S. affiliate**

1			
---	--	--	--

**78. To other foreign persons**

1			
---	--	--	--



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE — Continued**  
 Report all amounts in thousands of U.S. dollars.

**Section E — EMPLOYEE COMPENSATION**

**EMPLOYEE COMPENSATION** — All expenditures made by an employer in connection with the employment of workers, including cash payments, payments-in-kind, and employer expenditures for employee benefit plans. Base compensation data on payroll records. They should relate to activities during the reporting period regardless of whether such activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include data related to activities of a prior period, such as those capitalized or charged to inventories in prior periods. See **Instructions**, V.B.

**79. Wages and salaries** — Employees' gross earnings (before payroll deductions), and all direct and in-kind payments by the employer to employees.

Amount for all employees (1)			
Bil.	Mil.	Thous.	Dols.
1			
2251	\$		

**80. Employee benefit plans** — Employer expenditures for all employee benefit plans, including those required by statute, such as employer's Social Security taxes, those resulting from collective bargaining contracts, and those that are voluntary.

1			
2252			

**81. TOTAL EMPLOYEE COMPENSATION** — Sum of items 79 and 80

1			
2253	\$		

**Section F — COMPOSITION OF EXTERNAL FINANCES OF U.S. AFFILIATE**

**CLOSE FY 1999**

**82. Current liabilities and long-term debt** — Column (1) must equal item 44, column (1).

**83. Current and noncurrent receivables** — Column (1) must equal item 37, column (1), and that part of item 42, column (1), that is noncurrent receivables.

**NOTE** — Include CD's and other deposits held by the foreign parent(s) or foreign affiliates of the foreign parent(s) that would otherwise be included in cash, item 36. (See Note in item 36.)

**BEA USE ONLY**

**Section G — LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT**

Land and other property, plant, and equipment includes all land and other property, plant, and equipment carried anywhere on the U.S. affiliate's balance sheet, whether or not the intent is to hold and actively use the asset in the operating activity of the business. **Land** refers to any part of the earth's surface; **other property, plant, and equipment** includes timber, mineral and like rights owned, all structures, machinery, equipment, special tools, and other depreciable property, construction in progress, and capitalized tangible and intangible exploration and development costs, but excludes other types of intangible assets. In addition to items carried in property, plant, and equipment (item 41), such items may be carried in other noncurrent assets (item 42), or in other current assets (item 39).

Items, including land, being leased from others pursuant to capital leases are to be considered as owned by the affiliate; items which the affiliate has sold on a capital lease basis are not to be considered as owned by the affiliate. Include the capitalized value of timber, mineral, and like rights leased by the affiliate from others.

Expenditures cover all acquisitions by, or transfers to, the U.S. affiliate of the items detailed above, irrespective of where carried on the balance sheet. Exclude from expenditures all changes in land and in other property, plant, and equipment accounted for by a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or a change in accounting methods or principles during your 1999 fiscal year; such changes are separately accounted for in item 90.

**LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT AT CLOSE FY 1999**

**84. Carried in property, plant, and equipment accounts** — Land and other property, plant, and equipment carried in item 41, column (1)

**85. Carried in other noncurrent assets, item 42, or elsewhere on the balance sheet** — Specify where

**86. TOTAL** — Sum of items 84 and 85, column (2) must also equal item 99, column (1) and item 109, column (5)

**87. Acres of mineral rights owned or leased from others** — Include acres leased from others pursuant to both capital and operating leases. Exclude acreage reported as land owned in item 86, column (1).

**88. Gross book value of land owned** — The portion of item 86, column (2), that is the gross book value of land owned for which acreage is reported in item 86, column (1).

All acres of land owned at close of FY 1999 (Exclude mineral rights) (To nearest whole acre) (1)	Gross book value of all land and other property, plant, and equipment at historical cost (Include mineral rights) (2)
Number	Bil. Mil. Thous. Dols.
1	2
2351	\$
1	2
2353	
1	2
2354	\$

Acres of mineral rights owned or leased from others (To nearest whole acre)
Number
1
2355

Amount (1)
Bil. Mil. Thous. Dols.
1
2356

Remarks



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE – Continued**  
 Report all amounts in thousands of U.S. dollars.

**Section G – LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT – Continued**

Amount  
(1)  
Bil. Mil. Thous. Dols.

**SCHEDULE OF CHANGE FROM FY 1998 CLOSING BALANCES TO FY 1999 CLOSING BALANCES**

• BALANCES AT CLOSE FY 1998, BEFORE RESTATEMENT DUE TO A CHANGE IN THE ENTITY

**89. Net book value of all land and other property, plant, and equipment, wherever carried on balance sheet** 2386 \$

• CHANGES DURING FY 1999

**90. Give amount by which the net book value in item 89 would be restated due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.), if answer to item 5, 10, or 11 was "Yes," or due to a change in accounting methods or principles.** If a decrease, put amount in parentheses. Include gains (losses) resulting from the sale or disposition of U.S. affiliates, and from revaluation of assets (whether or not realized), in item 55. 2387 1

**NOTE** — Land and mineral rights includes expenditures for land and capitalized expenditures for mineral and timber rights, but excludes other capitalized expenditures for the exploration and development of natural resources and land held for resale.

**Expenditures by the U.S. affiliate for, or transfers into the U.S. affiliate of**

**91. Land** 2388 1

**92. Mineral rights, including timber** 2389 1

**93. Plant, equipment, and property other than land and mineral rights** (Changes due to mergers and acquisitions are separately accounted for in item 90.) **93. New** 2390 1

**94. If it is burdensome to exclude all used plant, equipment, etc., from new, then minor used items may be included in item 93, and only major used items reported in item 94.** **94. Used** 2391 1

**95. Depreciation and depletion** 2392 1

**96. Net book value of sales, retirements, or transfers out of assets defined for inclusion in this section, and other decreases (increases)** — Divestitures of U.S. affiliates are separately accounted for in item 90. Include gains (losses) resulting from the sale or disposition of property, plant, and equipment in item 55. — Specify  2394 1

• BALANCES AT CLOSE FY 1999

**97. Net book value** — Sum of items 89, 90, 91, 92, 93, and 94, minus sum of items 95 and 96. 2395 1

**98. Accumulated depreciation and depletion.** 2396 1

**99. Gross book value of all land and other property, plant, and equipment, wherever carried on balance sheet** — Sum of items 97 and 98; must also equal item 86, column (2), and item 109, column (5). 2397 \$

• ADDENDUM

**100. Expensed petroleum and mining exploration and development expenditures** — Include expensed expenditures to acquire or lease mineral rights. Do not include expenditures made in prior years that are reclassified in the current year; such expenditures are considered to be expenditures only in the year when initially expended. 2398 \$

**Section H — INTEREST, TAXES, AND TECHNOLOGY**

Amount  
(1)  
Bil. Mil. Thous. Dols.

**Interest**

**101. Interest received by U.S. affiliate from, or credited to U.S. affiliate by, all payors (including foreign parents and affiliates), after deduction of tax withheld at the source.** Do not net against interest paid (item 102.) 2400 \$

**102. Interest paid or credited to all payees (including foreign parents and affiliates), by U.S. affiliate, before deduction of U.S. tax withheld by the affiliate.** Do not net against interest received (item 101.) 2401 \$

**103. Taxes** (other than income and payroll taxes) and non-tax payments (including production royalties and import and export duties) — Amount paid or accrued for the year, net of refunds or credits, to U.S. Federal, State, and local governments, their subdivisions and agencies for —

- Sales, consumption, and excise taxes collected by you on goods and services you sold
- Property and other taxes on the value of assets and capital
- Any remaining taxes (other than income and payroll taxes)
- Non-tax liabilities (other than for purchases of goods and services) such as —
  - Import and export duties
  - Production royalties for natural resources
  - License fees, fines, penalties, and similar items

2402 \$

**Technology**

**Research and development (R&D) expenditures**, Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, overhead of this U.S. affiliate whether or not allocated to others, and indirect costs.

**104. R&D performed BY the U.S. affiliate** — All R&D performed by the U.S. affiliate whether for its own account or for others. Include the cost of R&D performed by the U.S. affiliate and allocated to others. Also, include R&D financed by the Federal Government. Exclude the cost of any R&D funded by the U.S. affiliate but performed by others. See **Instructions, V.C.** 2403 \$

Number  
(1)

**105. Research and development employees** — All employees engaged in R&D, including managers, scientists, engineers, and other professional and technical employees. See **Instructions, V.C.** 2409 1

<b>BEA USE ONLY</b>	2404	1	2	3	4	5
	2410	1	2	3	4	5



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE — Continued**

*Report all amounts in thousands of U.S. dollars.*

**Section I — EXPORTS AND IMPORTS OF U.S. AFFILIATE — GOODS ONLY, DO NOT INCLUDE SERVICES (software publishers see discussion below under prepackaged computer software)**

**IMPORTANT NOTES** — This section requires the reporting of data on U.S. merchandise trade of the U.S. affiliate in FY 1999. Report data on a "shipped" basis, i.e., on the basis of when, where, and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do **not** record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the U.S. affiliate by, or charged by the U.S. affiliate to, a foreign person.

U.S. affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when, where, and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference, the "shipped" basis must be used or adjustments made to the data on a "charged" basis to approximate a "shipped" basis.

Data in this section cover all goods that physically left or entered the U.S. customs area in FY 1999. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchases, or entered into intercompany accounts when initially consigned. Include capital goods but exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or merchandise.

Except as discussed below under prepackaged computer software, **exclude** services from merchandise trade. A U.S. affiliate's U.S. merchandise exports and imports may differ from the U.S. affiliate's purchases from or sales to foreign persons because purchases and sales may include services while merchandise exports and imports include only goods.

**Prepackaged computer software** — Treat exports and imports of prepackaged computer software as merchandise trade transactions. Value such exports and imports at full transactions value, i.e., the market value of the media on which the software is recorded and the value of the information contained on the media. Sales of prepackaged computer software are normally reported under industry codes 5112 (software publishers), 4214 (professional and commercial equipment and supplies), 4431 (electronics and appliance stores), and 3346 (manufacturing and reproducing magnetic and optical media). **Do not** treat exports and imports of software designed to meet the needs of specific users (industry code 5415 — computer system design and related services) as merchandise trade. This type of software is considered a service and does not belong in merchandise trade.

See the **Instructions**, V.D. on page 18, for additional data requirements.

	TOTAL				Shipped to (by) foreign parent(s) and its (their) foreign affiliates				Shipped to (by) foreign affiliates of this U.S. affiliate				Shipped to (by) all other foreign persons			
	(1)				(2)				(3)				(4)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>106. Exports of U.S. affiliate to foreign persons</b> — Shipped by U.S. affiliate to foreign persons (valued f.a.s. U.S. port). 2502					2				3				4			
	\$				\$				\$				\$			
<b>107. Imports of U.S. affiliate from foreign persons</b> — Shipped to U.S. affiliate by foreign persons (valued f.a.s. foreign port). 2515					2				3				4			
	\$				\$				\$				\$			
<b>BY INTENDED USE:</b>																
<b>108. The portion of item 107, column 1, that is imports of goods intended for further processing, assembly, or manufacture by this U.S. affiliate before resale to others.</b> 2530																
	\$															

Remarks



**Part II FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE — Continued**

**Section J — SCHEDULE OF EMPLOYMENT, LAND, AND OTHER PROPERTY, PLANT, AND EQUIPMENT, BY LOCATION**

In column (3), include all employees on the payroll at the end of FY 1999, including part-time employees. A count taken at some other date during the reporting period may be given provided it is a reasonable proxy for the number on the payroll at the end of FY 1999. See **Instructions, V.B.**, if employment is subject to unusual variations.

In column (4), include all employees on the payroll of operating manufacturing plants in the State. Include administrative office and other auxiliary employees located at an operating plant and that serve only that plant. **Exclude** all other employees on the payrolls of administrative offices or other auxiliary units. See **Instructions, V.B.3.**

Column (5), land and other property, plant, and equipment covers all such items, whether carried as investments, in fixed asset accounts, or in other balance sheet accounts. Include land held for resale, held for investment purposes, and all other land owned. Include land and other property, plant, and equipment on capital lease from others, but exclude that on capital lease to others.

In column (6), include the value of all buildings and associated land leased or rented to others and the value of commercial property you own and use or operate. Commercial

property includes apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations. Include the value of the land associated with these buildings. Exclude property you use for agricultural, mining, manufacturing, or other industrial purposes, property that is used to support these activities, such as research labs and warehouses, and office buildings located at industrial sites (include office buildings owned by an industrial company but not located at an industrial site in column (6)). Also exclude educational buildings, hospital and institutional buildings, and all undeveloped land.

**Do not** include in the "foreign" category land and other property, plant, and equipment owned by foreign business enterprises in which this U.S. affiliate has an equity interest or by foreign operations of this affiliate. The foreign category is primarily for use in reporting movable fixed assets temporarily outside the U.S. or for reporting any foreign fixed assets carried directly on the U.S. affiliate's books. See **Instructions, V.E.**, for additional details of data requirements.

LOCATION	State code	Number of employees at the end of FY 1999 — Total must equal item 35, column (3).		Gross book value (historical cost) of all land and other property, plant, and equipment wherever carried on balance sheet, FY 1999 closing balance. Must equal item 86, column (2) and item 99, column (1).			The portion of column (5) that is commercial property			
		(2)	(3)	(4)	(5)	(6)	(6)	(6)		
109. TOTAL for each column must equal sum of items 110 through 166	2700		Number	Number	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.
110. Alabama	2701	2 01	3	4	5			6		
111. Alaska	2702	2 02	3	4	5			6		
112. Arizona	2703	2 04	3	4	5			6		
113. Arkansas	2704	2 05	3	4	5			6		
114. California	2705	2 06	3	4	5			6		
115. Colorado	2706	2 08	3	4	5			6		
116. Connecticut	2707	2 09	3	4	5			6		
117. Delaware	2708	2 10	3	4	5			6		
118. Florida	2709	2 12	3	4	5			6		
119. Georgia	2710	2 13	3	4	5			6		
120. Hawaii	2711	2 15	3	4	5			6		
121. Idaho	2712	2 16	3	4	5			6		
122. Illinois	2713	2 17	3	4	5			6		
123. Indiana	2714	2 18	3	4	5			6		
124. Iowa	2715	2 19	3	4	5			6		
125. Kansas	2716	2 20	3	4	5			6		
126. Kentucky	2717	2 21	3	4	5			6		
127. Louisiana	2718	2 22	3	4	5			6		
128. Maine	2719	2 23	3	4	5			6		
129. Maryland	2720	2 24	3	4	5			6		
130. Massachusetts	2721	2 25	3	4	5			6		
131. Michigan	2722	2 26	3	4	5			6		
132. Minnesota	2723	2 27	3	4	5			6		
133. Mississippi	2724	2 28	3	4	5			6		
134. Missouri	2725	2 29	3	4	5			6		
135. Montana	2726	2 30	3	4	5			6		
136. Nebraska	2727	2 31	3	4	5			6		
137. Nevada	2728	2 32	3	4	5			6		
138. New Hampshire	2729	2 33	3	4	5			6		
139. New Jersey	2730	2 34	3	4	5			6		
140. New Mexico	2731	2 35	3	4	5			6		
141. New York	2732	2 36	3	4	5			6		
142. North Carolina	2733	2 37	3	4	5			6		
143. North Dakota	2734	2 38	3	4	5			6		
144. Ohio	2735	2 39	3	4	5			6		
145. Oklahoma	2736	2 40	3	4	5			6		
146. Oregon	2737	2 41	3	4	5			6		
147. Pennsylvania	2738	2 42	3	4	5			6		
148. Rhode Island	2739	2 44	3	4	5			6		
149. South Carolina	2740	2 45	3	4	5			6		
150. South Dakota	2741	2 46	3	4	5			6		
151. Tennessee	2742	2 47	3	4	5			6		
152. Texas	2743	2 48	3	4	5			6		
153. Utah	2744	2 49	3	4	5			6		
154. Vermont	2745	2 50	3	4	5			6		
155. Virginia	2746	2 51	3	4	5			6		
156. Washington	2747	2 53	3	4	5			6		
157. West Virginia	2748	2 54	3	4	5			6		
158. Wisconsin	2749	2 55	3	4	5			6		
159. Wyoming	2750	2 56	3	4	5			6		
160. District of Columbia	2751	2 11	3	4	5			6		
161. Puerto Rico	2752	2 43	3	4	5			6		
162. Virgin Islands	2753	2 52	3	4	5			6		
163. U.S. offshore oil and gas sites	2756	2 65	3	4	5			6		
164. Other U.S. areas - includes Guam, American Samoa, and all other territories and possessions not separately listed	2754	2 60	3	4	5			6		
165. Foreign	2758	2 70	3	4	5			6		
166. Other property, plant and equipment - include aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation	2759	2 71			5					



## FOREIGN PARENT AND UBO INDUSTRY CODES

- 01** Government and government-owned or -sponsored enterprise, or quasi-government organization or agency
  - 02** Pension fund — Government run
  - 03** Pension fund — Privately run
  - 04** Estate, trust, or nonprofit organization (that part of 5252 that is estates and trusts)
  - 05** Individual
- Private business enterprise, investment organization, or group engaged in:
- 07** Agriculture, forestry, fishing and hunting (ISI codes 1110–1140)
  - 08** Mining (ISI codes 2111–2127)
  - 09** Construction (ISI codes 2330–2350)
  - 10** Transportation and warehousing (ISI codes 4810–4939)
  - 11** Utilities (ISI codes 2211–2213)
  - 12** Wholesale and retail trade (ISI codes 4211–4229 and 4410–4540)
  - 13** Banking, including bank holding companies (ISI codes 5221 and 5229)
  - 14** Holding companies (ISI codes 5512 and 5513)
  - 15** Other finance and insurance (ISI codes 5223, 5224, 5231–5249, that part of 5252 that is not estates and trusts, and 5331)
  - 16** Real estate (ISI code 5310)
  - 17** Information (ISI codes 5111–5142)
  - 18** Professional, scientific, and technical services (ISI codes 5411–5419)
  - 19** Other services (ISI codes 1150, 2132, 2133, 5321, 5329, and 5611–8130)
- Manufacturing, including fabricating, assembling, and processing of goods:
- 20** Food (ISI codes 3111–3119)
  - 21** Beverages and tobacco products (ISI codes 3121 and 3122)
  - 22** Pharmaceuticals and medicine (ISI code 3254)
  - 23** Other chemicals (ISI codes 3251–3259, except 3254)
  - 24** Nonmetallic mineral products (ISI codes 3271–3279)
  - 25** Primary and fabricated metal products (ISI codes 3311–3329)
  - 26** Computer and electronic products (ISI codes 3341–3346)
  - 27** Machinery manufacturing (ISI codes 3331–3339)
  - 28** Electrical equipment, appliances and components (ISI codes 3351–3359)
  - 29** Motor vehicles and parts (ISI codes 3361–3363)
  - 30** Other transportation equipment (ISI codes 3364–3369)
  - 31** Other manufacturing (ISI codes 3130–3231, 3261, 3262, 3370–3399)
  - 32** Petroleum manufacturing, including integrated petroleum and petroleum refining without extraction (ISI codes 3242–3244)







BE-15(LF) Supplement A 1999 - LIST OF ALL U.S. AFFILIATES FULLY CONSOLIDATED INTO THE REPORTING U.S. AFFILIATE - Continued

BEA USE ONLY (1)	Name of each U.S. affiliate consolidated (as represented in item 7, Part I) (2)	Employer Identification Number used by U.S. affiliate listed in column (2) to file income and payroll taxes (3)	Name of U.S. affiliate which holds the direct ownership interest in the U.S. affiliate listed in column (2) (4)	Percentage of direct ownership which the U.S. affiliate listed in column (4) holds in the U.S. affiliate listed in column (2). - Enter percentage to nearest tenth. (5)
5134				. %
5135				. %
5136				. %
5137				. %
5138				. %
5139				. %
5140				. %
5141				. %
5142				. %
5143				. %
5144				. %
5145				. %
5146				. %
5147				. %
5148				. %
5149				. %
5150				. %
5151				. %
5152				. %
5153				. %
5154				. %
5155				. %
5156				. %
5157				. %
5158				. %
5159				. %

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](http://www.bea.gov/help/information-for-survey-respondents)







BE-15(LF) Supplement B 1999 - LIST OF U.S. AFFILIATES WHICH ARE NOT FULLY CONSOLIDATED - Continued

BEA USE ONLY (1)	Name of each U.S. affiliate in which a direct interest is held but which is not listed in Supplement A (2)	Address of each U.S. affiliate listed in column (2) Give number, street, city, State, and ZIP Code (3)	Has affiliate notified of obligation to file? Mark (X) one (4)	Employer Identification Number used by U.S. affiliate listed in column (2) to file income and payroll taxes (5)	Percentage of direct ownership interest which the fully consolidated U.S. affiliate named in item 1, Part I, of this BE-15(LF), holds in the U.S. affiliate listed in column (2). — Enter percentage to nearest tenth. (6)
6222			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6223			1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		. %
6224			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6225			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6226			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6227			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6228			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6229			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6230			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6231			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6232			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6233			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %
6234			1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		. %

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](http://www.bea.gov/help/information-for-survey-respondents).



**ANNUAL SURVEY OF  
FOREIGN DIRECT INVESTMENT IN THE UNITED STATES – 1999  
(LONG FORM)  
INSTRUCTIONS**

The Annual Survey of Foreign Direct Investment in the United States provides reliable, useful, and timely data on such investment. Reports filed in this survey should be consistent with those filed in the 1998 BE-15 Annual Survey of Foreign Direct Investment in the United States as concerns concepts and definitions, accounting methods, consolidation, etc. However, filing this report is **not** contingent upon having filed a 1998 BE-15 report.

**I. REPORTING REQUIREMENTS**

**A. Who must report** – Each nonbank U.S. affiliate of a foreign person must file a BE-15(LF) or BE-15(SF) report. A U.S. affiliate is a U.S. business enterprise in which a foreign person owned or controlled, directly or indirectly, 10 percent or more of the voting securities if an incorporated U.S. business enterprise, or an equivalent interest if an unincorporated U.S. business enterprise, at the end of the business enterprise's 1999 fiscal year. Also, see I.B.

A U.S. affiliate must file a report even though the foreign person may have established or acquired its interest during the reporting period.

Beneficial, not record, ownership is the basis of the reporting criteria.

Voting securities, voting stock, ownership interest, and voting interest all have the same general meaning and are used more or less interchangeably throughout the instructions and the report form, although one may be more appropriate than the others when referring to a specific business enterprise, or group of enterprises.

**1. Form BE-15 (LF) – Annual Survey of Foreign Direct Investment in the United States – 1999 (Long Form)**

A nonbank U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its 1999 fiscal year must complete and file by May 31, 2000, a Form BE-15(LF) if:

- a. It is not a bank (Bank Holding Companies, see Special Instructions, IV.B.), and
- b. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, one or more of the following three items for the U.S. affiliate (not the foreign parent's share) exceeded \$100 million (positive or negative) at the end of, or for, its 1999 fiscal year:
  - (1) Total assets (do not net out liabilities)
  - (2) Sales or gross operating revenues, excluding sales taxes, or
  - (3) Net income after provision for U.S. income taxes.

**2. Form BE-15(SF) – Annual Survey of Foreign Direct Investment in the United States – 1999 (Short Form)**

A nonbank U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its 1999 fiscal year must complete and file by May 31, 2000, a Form BE-15(SF) if:

- a. It is not a bank (Bank Holding Companies, see Special Instructions, IV.B.), and
- b. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, one or more of the following three items for the U.S. affiliate (not the foreign parent's share) exceeded \$30 million (positive or negative), but no one item exceeded \$100 million (positive or negative) at the end of, or for, its 1999 fiscal year:
  - (1) Total assets (do not net out liabilities)
  - (2) Sales or gross operating revenues, excluding sales taxes, or
  - (3) Net income after provision for U.S. income taxes.

**B. Exemption** – A U.S. affiliate as consolidated, or aggregated in the case of real estate investments, is not required to file a Form BE-15(LF) or Form BE-15(SF) if each of the following three items for the U.S. affiliate (not the foreign parent's share) did not exceed \$30 million (positive or negative) at the end of, or for, its 1999 fiscal year:

1. Total assets (do not net out liabilities)
2. Sales or gross operating revenues, excluding sales taxes, and
3. Net income after provision for U.S. income taxes.

If a U.S. business enterprise is a U.S. affiliate but is not required to file a Form BE-15(LF) or BE-15(SF), because it falls below the exemption level, then it must file a Form BE-15 Supplement C, Claim for Exemption from Filing a BE-15(LF) or BE-15(SF), with item 1 marked and the information requested in item 1 filled in.

**C. Aggregation of real estate investments** – Aggregate all real estate investments of a foreign person for the purpose of applying the reporting criteria. Use a single report form to report the aggregate holdings, unless BEA has granted permission to do otherwise.

**II. 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, association, associated group, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the U.S. Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

**D. 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. The following are deemed to be associated groups:

1. Members of the same family.
2. A business enterprise and one or more of its officers or directors.
3. Members of a syndicate or joint venture.
4. A corporation and its domestic subsidiaries.

**E. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**F. 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.

**G. 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.

**H. Business enterprise** means any organization, association, branch, or venture which exists for profit making purposes or to otherwise secure economic advantage, and any ownership of any real estate.

**I. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.

**J. 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 securities for an incorporated business enterprise or an equivalent interest for an unincorporated business enterprise, including a branch.

**K. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.

**L. 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.

**M. 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.

**N. Foreign affiliate of a foreign parent** means, with reference to a given U.S. affiliate, any member of the affiliated foreign group owning the U.S. affiliate that is not a foreign parent of the U.S. affiliate.

**O. U.S. corporation** means a business enterprise incorporated in the United States.

**P. Intermediary** means any agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.

**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.) Note: Stockholders of a closely or privately held corporation are normally considered to be an associated group and may be a UBO.

**R. Banking** covers business enterprises engaged in deposit banking or closely related functions, including commercial banks, Edge Act corporations engaged in international or foreign banking, foreign branches and agencies of U.S. banks whether or not they accept deposits abroad, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, savings and loans, savings banks, and bank holding companies, i.e., holding companies for which over 50 percent of their total income is from banks which they hold.

**S. Lease** is an arrangement conveying the right to use property, plant, or equipment, (i.e., land and/or depreciable assets), usually for a stated period of time.

1. **Capital lease** – A long term lease under which a sale of the asset is recognized at the inception of the lease. These may be shown as lease contracts or accounts receivable on the lessor's books. The assets would not be considered as owned by the lessor.
2. **Operating lease** – Generally, a lease with a term which is less than the useful life of the asset and a transfer of ownership is not completed.

**T. U.S. affiliate's 1999 fiscal year** is the affiliate's financial reporting year that has an ending date in calendar year 1999.



### III. GENERAL INSTRUCTIONS

**A. Fiscal year reporting period** – The report covers the U.S. affiliate's 1999 fiscal year. The affiliate's 1999 fiscal year is defined to be the affiliate's financial reporting year that has an ending date in calendar year 1999. Those affiliates having a 52/53 week fiscal year that ends within the first week of January 2000 are considered to have a 1999 fiscal year for filing the annual survey and should report December 31, 1999 as their 1999 fiscal year end. For a business enterprise that does not have a financial reporting year, such as for investments in unimproved real estate, or does not have a financial reporting year ending in calendar year 1999, its fiscal year is deemed to be the same as calendar year 1999. (U.S. affiliates that changed the ending date of their financial reporting year in 1999 should contact BEA to determine what reporting period should be used.)

**B. Calculation of indirect ownership interest** – All direct and indirect lines of ownership interest held by a foreign person in a given U.S. business enterprise must be summed to determine whether the enterprise is a U.S. affiliate of the foreign person for purposes of reporting.

A foreign parent's percentage of indirect ownership interest in a given U.S. business enterprise is the product of the direct ownership percentage of the foreign parent in the first U.S. business enterprise in the ownership chain times that first enterprise's direct ownership percentage in the second U.S. business enterprise times each succeeding direct ownership percentage of each other intervening U.S. business enterprise in the ownership chain between the foreign parent and the given U.S. business enterprise.

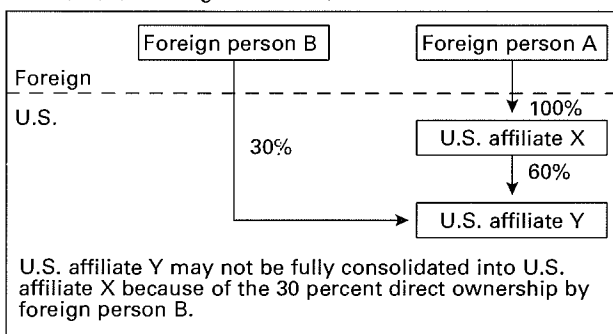
If there is more than one line of ownership from the foreign parent, or if other members of the affiliated foreign group hold direct or indirect lines of ownership in the U.S. business enterprise, then all ownership interest lines must be summed to determine if the U.S. business enterprise is a U.S. affiliate of a foreign person.

**C. Accounting methods and records** – Follow generally accepted U.S. accounting principles unless otherwise specified. Corporations should generally use the same methods and records that are used to generate reports to stockholders except where the instructions indicate a variance. Reports for unincorporated persons must be generated on an equivalent basis.

Reference to Financial Accounting Standards Board statements are referred to as "FASB" statements.

**D. Consolidated reporting by U.S. affiliate** – A U.S. affiliate must file on a fully consolidated domestic (U.S.) basis, including in the full consolidation all of its foreign parent's other U.S. affiliates in which it directly or indirectly owns more than 50 percent of the outstanding voting interest, except that:

1. A separate BE-15 report must be filed by a U.S. affiliate that is more than 50 percent owned by another U.S. affiliate if the first U.S. affiliate is not normally fully consolidated because control is temporary and provided that written permission has been requested from and granted by BEA. In accordance with FASB 94, consolidation of majority-owned subsidiaries is required even if their operations are not homogeneous with those of the U.S. affiliate that owns them.
2. A U.S. affiliate in which a direct ownership interest and an indirect ownership interest are held by different foreign persons should not be fully consolidated into another U.S. affiliate, but must complete and file its own Form BE-15(LF) or BE-15(SF). (See diagram below.)



The indirect ownership interest, even if more than 50 percent, should be reflected on the balance sheet and income statement of the owning U.S. affiliate's Form BE-15(LF) or BE-15(SF) on an equity basis. (If the same foreign person holds both the direct and indirect lines of ownership, the affiliate may be fully consolidated and the minority interest must be eliminated. Contact BEA for guidance on how the minority interest should be reported on Form BE-15(LF) or BE-15(SF).)

3. Special instructions apply to consolidation of U.S. affiliates that are Bank Holding Companies. See IV.B.
4. Foreign subsidiaries, branches, or other foreign operations or equity investments of a U.S. affiliate are NOT to be included on a fully consolidated basis, but are to be included only as provided under III.E.

If a U.S. affiliate is not fully consolidated in its U.S. parent's BE-15 report, it must be listed on Supplement B of the U.S. parent's Form BE-15(LF) or BE-15(SF) and must file its own Form BE-15(LF) or BE-15(SF). If you normally prepare your consolidated financial statements using the proportionate consolidation method, please contact this office before using that method in completing Form BE-15(LF) or BE-15(SF).

Hereinafter the fully consolidated entity is considered one U.S. affiliate.

**E. Method of accounting for equity investments in business enterprises that are not fully consolidated** – A U.S. affiliate's equity investment in all foreign business enterprises, no matter what the percentage ownership, and in U.S. business enterprises that are not fully consolidated,

should be accounted for as detailed below. When equity investments are included under the equity basis, intercompany account items MUST NOT be eliminated.

1. Generally, report investment in those business enterprises owned 20 percent or more (including those that are majority-owned) using the equity basis. However, immaterial investments may be reported using the cost basis provided this basis is consistent with normal reporting practice.
2. Report investment in those business enterprises owned less than 20 percent using the cost basis.

**F. Changes in the reporting entity** – Changes in the consolidated reporting entity that occurred during FY 1999 must NOT result in restatement of close FY 1998 balances. The close FY 1998 balances for balance sheet or other items should represent the reporting entity as it existed at the close of FY 1998. This principle applies throughout the report form.

**G. Reporting by unincorporated U.S. affiliate**

**DIRECTLY OWNED** – Each unincorporated U.S. affiliate, including a branch, which is directly owned 10 percent or more by a foreign person should file a separate BE-15 report. Two or more such directly owned U.S. affiliates may not be combined on a single Form BE-15(LF) or Form BE-15(SF). The only exceptions are for U.S. affiliates that are real estate investments (see Special Instructions IV.D.).

**INDIRECTLY OWNED** – An indirectly owned unincorporated U.S. affiliate owned more than 50 percent by another U.S. affiliate must normally be fully consolidated on the report with the U.S. affiliate that holds the ownership interest in it.

Otherwise, each indirectly owned unincorporated U.S. affiliate should file a separate report.

**H. Bearer shares** – If the ownership in a U.S. affiliate by any owner in the ownership chain up to and including the ultimate beneficial owner (UBO) is represented by bearer shares, the requirement to disclose the information regarding the UBO remains with the reporting U.S. affiliate. An exception is where a company in the ownership chain has publicly traded bearer shares. In that case, identification of the UBO may stop with the identification of a company whose capital stock is represented by the publicly traded bearer shares. For closely held companies with bearer shares that are not publicly traded, identifying the foreign parent or the UBO as bearer shares is not an acceptable response. The U.S. affiliate must pursue the identification of the UBO through managing directors, or any other official or intermediary.

**I. Separate filing of information by foreign parent or ultimate beneficial owner** – Where information is requested concerning the foreign parent or ultimate beneficial owner (UBO), if the foreign parent or UBO does not wish to make the information available to the U.S. affiliate for inclusion in the report, it may furnish it separately to BEA. In doing so, it must completely identify the U.S. affiliate BE-15 report to which it pertains, separately reference the items to which the information pertains, and give an address and phone number where the foreign parent or UBO can be contacted.

**J. Required information not available** – All reasonable efforts should be made to obtain the information required for reporting. Every question on each form should be answered, except where specifically exempt. When only partial information is available, an appropriate indication should be given.

**K. Estimates** – If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

Certain sections of the BE-15(LF) require data that may not normally be available from a company's customary accounting records. Provision of precise data in these sections may present the respondent with a substantial burden beyond what is intended by BEA. This may be especially true for:

- Part I, Items 22 through 32 – Number of employees in each industry of sales;
- Part II, Section D – Distribution of sales or gross operating revenues, by whether the sales were goods, investment income, or services, and the distribution of sales of services by transactor;
- Part II, Section G, Items 84 and 85, column (1) – Number of acres of land;
- Part II, Section I – Exports and imports of U.S. affiliate on a shipped basis; and
- Part II, Section J – Data disaggregated by State.

Data provided in these sections may be reasonable estimates based upon the informed judgement of persons in the responding organization, sampling techniques, prorations based on related data, etc. The procedures used should be consistently applied from one BEA survey to the next.

**L. Specify** – When "specify" is included in certain data items, give the type and dollar amount of the major items included for at least the items mentioned in the line instruction.

**M. Space on form insufficient** – When space on a form is insufficient to permit a full answer to any item, submit the required information on supplementary sheets, appropriately labeled and referenced to the item number and the form.

**N. Industry Classifications** – This survey uses the new North American Industry Classification System (NAICS) as the basis for classifying enterprises; in the past, classification was based on the U.S. Standard Industrial Classification (SIC) system. The "Guide to Industry and Foreign Trade Classifications for International Surveys," BE-799, which is included as part of the survey package, gives a list and explanation of the industry classifications used.



#### IV. SPECIAL INSTRUCTIONS

**A. Insurance companies** – When there is a difference, prepare the financial and operating data in this report on the same basis as an annual report to 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 assets not acceptable for inclusion in the annual statement to an insurance department.

Item on Form BE-15(LF):

- **37 CURRENT RECEIVABLES** – Include current items such as agents' balances, uncollected premiums, amounts recoverable from reinsurer, and other current notes and accounts receivable (net of allowances for doubtful items) arising from the ordinary course of business.
- **44 CURRENT LIABILITIES AND LONG-TERM DEBT** – Include current items such as loss liabilities, policy claims, commissions due, and other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other non-current liabilities", item 45, unless they are clearly current liabilities.
- **53 SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES** – Include items such as earned premiums, annuity consideration, gross investment income, and items of a similar nature. Exclude income from unconsolidated affiliates that is to be reported in item 54 and certain gains or losses that are to be reported in item 55.
- **55&68 CERTAIN REALIZED AND UNREALIZED GAINS (LOSSES)** – Include, as appropriate, realized gains or losses due to profit or loss on the sale or maturity of investments, and unrealized gains or losses due to changes in the valuation of investments.
- **58 COST OF GOODS SOLD OR SERVICES RENDERED, AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (COSTS AND EXPENSES RELATING TO OPERATIONS)** – Include costs relating to sales or gross operating revenues, item 53, such as policy losses incurred, death benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.
- **73 INVESTMENT INCOME** – Report that portion of sales or gross operating revenues, items 53 and 71, that is investment income (other than profit or loss on the sale or maturity of investments, which should be reported in item 55).
- **74 SALES OF SERVICES** – Include premium income and income from other services, if any.

**B. Bank Holding Companies** – Subsidiaries of a U.S. bank holding company that are nonbank U.S. affiliates, and who do not meet the exemption criteria in I.B., are NOT exempt and must file a Form BE-15(LF) or BE-15(SF) under the name of the bank holding company with the notation "Nonbank activities" in item 1 of the form or on the label if provided.

**C. Airline and ship operators** – U.S. stations, ticket offices and terminal and port facilities of foreign airlines and ship operators that provide services ONLY to the foreign airlines' and ship operators' own operation are not required to report. Reports are required when such enterprises produce significant revenues from services provided to unaffiliated persons.

**D. Real Estate** – The ownership of real estate is defined to be a business enterprise, and, if the real estate is foreign owned, it is a U.S. affiliate of a foreign person. Such an enterprise must file a BE-15 report unless it is otherwise exempt.

Residential real estate held exclusively for personal use and not for profit making purposes is not subject to the reporting requirements. A 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 U.S. residential real estate by a corporation whose sole purpose is to hold the real estate for the personal use of the owner(s) of the corporation is considered to be real estate held for personal use and therefore not subject to the reporting requirements.

A foreign person holding real estate investments that are reportable on the BE-15 must aggregate all such holdings for the purpose of applying the reporting criteria (see I.C.). If the aggregate of such holdings exceeds one or more of the exemption levels, then the holdings must be reported even if individually they would be exempt. File a single Form BE-15(LF) or BE-15(SF) to report the aggregated holdings, unless BEA has granted permission to do otherwise. In the latter case, those holdings not aggregated must be reported separately; the reports must be filed as a group and notice given that they are all for one owner.

In Part I, Identification of U.S. Affiliate, for real estate investments, 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 1 of the BE-15 survey form, 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 1 of the BE-15 survey form might be:

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

BEA will accommodate foreign owners that wish to have report forms sent directly to them. However, owners should be aware that extra time consumed in mailing to and from a foreign place may make meeting filing deadlines difficult.

There are questions throughout the report forms that may not be applicable to certain types of real estate investments – questions such as the employer identification number, or, for unimproved land held as an investment, number of employees, and exports and imports of U.S. affiliate. In such cases, mark the items "none".

If a foreign person has a direct or indirect voting ownership interest of 10 percent or more in a joint venture, partnership, etc., that is formed to own and hold, develop, or operate real estate, the joint venture, partnership, etc., in its entirety, not just the foreign person's share, is a U.S. affiliate and must be reported as follows:

1. If the foreign interest in such a U.S. affiliate is directly held by the foreign person, then the affiliate must file a Form BE-15(LF) or BE-15(SF) (subject to the exemption criteria and the aggregation rules discussed above).
2. If such a U.S. affiliate is owned more than 50 percent by another U.S. affiliate, the owned affiliate must be fully consolidated in the BE-15 report form of the owning affiliate.
3. If such a U.S. affiliate is owned 50 percent or less by another U.S. affiliate, the owned affiliate must file a separate BE-15 report form, and the BE-15 report form of the owning affiliate must show its equity investment in the owned affiliate.

**E. Partnerships** – Limited partners do not have voting rights in a partnership and therefore cannot have direct investment in a partnership; their investment is considered to be portfolio investment. Determination of the existence of direct investment in a partnership is based on the country of residence of, and the percentage control exercised by, the general partner(s), although the latter may differ from the financial interest of the general partner(s).

#### F. Estates, trusts, and intermediaries

**A FOREIGN ESTATE** is a person and therefore may have direct investment, and the estate, not the beneficiary, is considered to be the owner.

**A TRUST** is a person but it is not a business enterprise. The trust is considered to be the same as an intermediary, and reporting should be as outlined below. For reporting purposes, the beneficiary(ies) of the trust is (are) considered to be the owner(s) for purposes of determining the existence of direct investments, except in two cases – (1) if there is, or may be, a reversionary interest, and (2) if a corporation or other organization creates a trust, designating its shareholders or members as beneficiaries. In these two cases, the creator of the trust is deemed to be the owner of the investments of the trust (or succeeding trusts, where the presently existing trust had evolved out of a prior trust), for the purposes of determining the existence and reporting of direct investment.

This procedure is adopted to fulfill the statistical purposes of this survey and does not imply that control over an enterprise owned or controlled by a trust is, or can be, exercised by the beneficiary(ies) or creator(s).

#### FOR AN INTERMEDIARY:

1. If a U.S. intermediary holds, exercises, administers, or manages a particular foreign direct investment in the United States for the beneficial owner, such intermediary is responsible for reporting the required information for, and in the name of, the U.S. affiliate, it should report on behalf of the U.S. affiliate or instruct the U.S. affiliate to submit the required information. Upon so doing, the intermediary is released from further liability to report, provided it has informed BEA of the date such instructions were given and the name and address of the U.S. affiliate, and has supplied the U.S. affiliate with any information in the possession of, or which can be secured by, the intermediary that is necessary to permit the U.S. affiliate to complete the required reports. When acting in the capacity of an intermediary, the accounts or transactions of the U.S. intermediary with a foreign beneficial owner are considered as accounts or transactions of the U.S. affiliate with the foreign beneficial owner. To the extent such transactions or accounts are unavailable to the U.S. affiliate, BEA may require the intermediary to report them.
2. If a foreign beneficial owner holds a U.S. affiliate through a foreign intermediary, the U.S. affiliate may report the intermediary as its foreign parent but must also identify and furnish the requested information concerning the foreign beneficial owner. Accounts or transactions of the U.S. affiliate with the foreign intermediary are considered as accounts or transactions of the U.S. affiliate with the foreign beneficial owner.

**G. Determining place of residence and country of jurisdiction of individuals** – An individual is 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 paragraph IV.G.3.



#### IV. SPECIAL INSTRUCTIONS – Continued

3. Notwithstanding paragraph IV.G.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 or employee, then such owner or employee nevertheless is considered a resident of the country of citizenship, provided the individual intends to return within a reasonable period of time.
4. Individuals and members of their immediate family 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.

#### V. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM

##### A. Certain realized and unrealized gains (losses) – Items 55 and 68 include:

1. Gains or losses from the sale, disposition, or revaluation of investment securities. (Dealers in securities, other finance companies, and insurance companies, see special instructions below.)
2. Gains or losses from the sale, disposition, or revaluation of land, other property, plant, and equipment, or other assets. (Real estate companies, see special instructions below.) However, do not include gains or losses from the sale of inventory assets in the ordinary course of trade or business.
3. Gains or losses from remeasurement of the affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period and transaction gains (losses) taken to income in accordance with FASB 52.
4. Gains or losses due to extraordinary items (except those resulting from legal judgments and accidental damage to fixed assets).
5. Material gains or losses resulting from unusual or infrequently occurring items.

Report gains or losses included in the income statement in item 55 before income tax effect. Report gains or losses taken directly to retained earnings, or to a surplus or other equity account, including valuation allowances for marketable equity securities per FASB 115, in item 68 after giving effect to income tax liability (benefit), if any, on the gains or losses.

**Dealers in securities** should **not** include realized gains or losses due to profit or loss on the sale or maturity of investments in either item 55 or 68. However, they should include unrealized gains or losses due to changes in the valuation of investments that are recognized during the period in item 55 or 68, as appropriate.

**Finance companies** (other than dealers in securities) and **insurance companies** should include in item 55 or 68, as appropriate, realized gains or losses due to profit or loss on the sale or maturity of investments and unrealized gains or losses due to changes in the valuation of investments.

**Real estate companies** should **not** include in item 55, gains or losses from the sale of real estate in the ordinary course of trade or business. However, they should include a gain or loss that is recognized due to revaluation of assets without a sale in item 55 or 68, as appropriate.

##### B. Employment and employee compensation (items 79 and 80) –

Base employment and employee compensation on payroll records related to activities during the reporting period. The employment and employee compensation data must cover only activities that were charged as an expense on the income statement, charged to inventories, or capitalized during the reporting period. Do not include data related to activities of prior periods, such as those capitalized or charged to inventories in prior years.

1. Employment is the number of full-time and part-time employees on the payroll at the end of FY 1999, excluding home workers and independent sales personnel who are not employees. A count taken during, rather than at the end of, FY 1999 is acceptable provided it is a reasonable proxy for the end of FY 1999 number. If employment at the end of FY 1999, or the count taken at some other time during FY 1999, was unusually high or low because of temporary factors (e.g., a strike), give the number of employees that reflects normal operations. If the business enterprise's activity involves large seasonal variations, give the average number of employees for FY 1999. If given, the average should be the average for FY 1999 of the number of persons on the payroll at the end of each payroll period, month, or quarter. If precise figures are not available, give your best estimate of the number of employees for FY 1999.

##### 2. Employee compensation – Consists of wages and salaries of employees and employer expenditures for all employee benefit plans.

- a. Wages and salaries are the gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, and commissions.

Exclude commissions paid to independent personnel who are not employees.

Wages and salaries include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Exclude payments made by, or on behalf of, benefit funds rather than by the employer. (Include employer contributions to benefit funds in employee benefit plans.)

Wages and salaries include in-kind payments, valued at their cost, that are **clearly and primarily of benefit to the employees as consumers**. Do not include expenditures that benefit employers as well as employees, such as for plant facilities, employee training programs, and reimbursement for business expenses.

- b. **Employee benefit plans** – Employer expenditures for all employee benefit plans, including those required by government statute, those resulting from a collective-bargaining contract, or those that are voluntary. Employee benefit plans include Social Security and other retirement plans, life and disability insurance, guaranteed sick pay programs, workers compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay funds, etc. If plans are financed jointly by the employer and the employee, include only the contributions of the employer.

##### 3. Employees of administrative offices and auxiliary units (item 32) –

Auxiliary units and administrative offices are primarily engaged in performing management and support services for the fully consolidated U.S. affiliate, such as accounting, data processing, legal services, research and development and testing, and warehousing. Include employees at administrative offices and auxiliary units that are located separately from the operating units of the company. However, include employees performing administrative or auxiliary activities that are located at an operating unit if those employees also serve other operating units of the company and information on the number of these employees is available from the company's records.

##### C. Research and development (items 104 and 105) –

Research and development (R&D) includes basic and applied research in science and engineering, as well as design and development of prototypes and processes, if the purpose of such activity is to:

1. Pursue a planned search for new knowledge whether or not the search has reference to a specific commercial application;
2. Apply existing knowledge to the creation of a new product or process, including evaluation of use; or
3. Apply existing knowledge to the employment of a present product or process.

R&D includes the activities described above whether assigned to separate R&D organizational units of the company or carried on by company laboratories and technical groups that are not a part of a separate R&D organization.

Research and development employees are scientists, engineers, and other professional and technical employees, including managers who spend all or a majority of their time engaged in scientific or engineering R&D work, at a level that requires knowledge of physical or life sciences, engineering, or mathematics at least equivalent to that acquired through completion of a four-year college course with a major in one of these fields (i.e., training may be either formal or by experience).

##### D. U.S. merchandise exports and imports (items 106 and 107) –

Report the data on U.S. merchandise trade between U.S. affiliates and foreign persons on a "shipped" basis. See "IMPORTANT NOTES" at the top of page 8 for more details. Differences between the "charged" and "shipped" bases may be substantial. A major difference arises when the U.S. affiliate buys goods in country A and sells them in country B, but the goods are shipped directly from country A to country B. Because the goods did not physically enter or leave the United States, they are not U.S. trade. However, when the U.S. affiliate records the transactions on its books, it shows a purchase charged to it from country A and a sale charged by it to country B. If the U.S. affiliate's trade data in this survey were prepared on the "charged" basis, the purchase and sale would appear incorrectly as a U.S. import and a U.S. export, respectively. Other differences arise when the U.S. affiliate charges the sale of its products to a foreign parent in one country, but ships the goods directly from the United States to an unaffiliated foreign person in another country. If the data are on the "shipped" basis, this should be a U.S. export to an unaffiliated foreign person, not to the foreign parent and the destination should be the country of the unaffiliated foreign person, not that of the foreign parent.

If a material difference exists between the "charged" and "shipped" bases, trade must be reported on the "shipped" basis. To do this, the U.S. affiliate may have to derive the data from export and import declarations filed with U.S. Customs or from shipping and receiving documents, rather than from accounting records, or may have to otherwise adjust its data from a "charged" to a "shipped" basis.

1. **Definition of U.S. merchandise trade** – The phrases "U.S. merchandise trade," "U.S. merchandise exports," and "U.S. merchandise imports" refer to physical movements of goods between the customs area of the United States and the customs area of a foreign country. See "IMPORTANT NOTES" at the top of page 8 for more details.

Exclude from exports and imports the value of goods that are in-transit. In-transit goods are goods that are not processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter those countries only because those countries are along the shipping lines between the exporting and



importing countries. In-transit imports are goods en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

**2. Timing** – Only include goods actually shipped between the United States and a foreign country during FY 1999 regardless of when the goods were charged or consigned. For example, include goods shipped to the U.S. affiliate in FY 1999 that were charged or consigned to the affiliate in FY 2000, but exclude goods shipped to the U.S. affiliate in FY 1998 that were charged or consigned to the U.S. affiliate in FY 1999.

**3. Trade of the U.S. affiliate** – Goods shipped by, or to, the U.S. affiliate, whether or not they were actually charged or consigned by, or to, the U.S. affiliate, are considered to be trade of the U.S. affiliate.

**4. By (or to) whom goods were shipped** – Shipment by, or to, an entity refers to the physical movement of merchandise to or from the U.S. customs area by, or to, that entity regardless of by, or to, whom the merchandise was charged or consigned. Thus, for example, if the U.S. affiliate charges goods to a foreign parent in France but ships them to an unaffiliated foreign person in Switzerland, the goods should be recorded as U.S. merchandise exports shipped by the U.S. affiliate to the unaffiliated foreign person in Switzerland on the U.S. affiliate's Form BE-15(LF).

Note – Merchandise shipped by an independent carrier or a freight forwarder at the expense of an entity are shipments by that entity.

**5. Valuation of exports and imports** – Value U.S. merchandise exports and imports f.a.s. (fee alongside ship) at the port-of-exportation. This includes all costs incurred up to the point of loading the goods aboard the export carrier at the U.S. or foreign port of exportation, including the selling price at the interior point of shipment (or cost if not sold), packaging costs, and inland freight and insurance. It excludes all subsequent costs, such as loading costs, U.S. and foreign import duties, and freight and insurance from the port of exportation to the port of entry.

**E. Distribution of selected data by State (items 109 through 166)** – The Schedule of Employment, Land and Other Property, Plant, and Equipment, by Location, covers the 50 States, the District of Columbia, and all territories and possessions of the United States. Include in this schedule only data pertaining to those U.S. business enterprises that are fully consolidated into the reporting U.S. affiliate. Do not consolidate with the reporting U.S. affiliate or include data for foreign business enterprises or operations, whether incorporated or unincorporated. Exclude data for employees permanently located outside the United States. The "foreign" category is primarily for use in reporting movable fixed assets temporarily outside the United States, or for reporting any foreign fixed assets carried directly on the U.S. affiliate's books.

**1. Location** of employees, or of an asset, is the U.S. State, territory, or possession in which the person is permanently employed, or in which the land or other property, plant, and equipment is physically located and to which property taxes, if any, on such assets are paid. Therefore, an employee permanently based and carried on the payroll of a company located in California, who is on a temporary duty assignment in Texas at the end of the reporting period, should be shown as located in California rather than Texas. Report equipment which may reside in more than one location during the reporting period, such as transportation equipment, or that is carried directly on the U.S. affiliate's books but is permanently located outside the United States, in item 166, "Other property, plant, and equipment."

**2. Valuation of property, plant, and equipment** – Land and other property, plant, and equipment are to be valued at historical cost before any allowances for depreciation or depletion.

## VI. FILING THE BE-15

**A. Due date** – A fully completed and certified Form BE-15(LF) or BE-15(SF) is due to be filed with BEA not later than May 31, 2000. If the U.S. affiliate is exempt from filing Form BE-15(LF) and BE-15(SF) based on the criteria in paragraph I.B., it must complete and file Form BE-15 Supplement C within 30 days of its receipt, or by May 31, 2000, whichever is sooner.

**B. Extensions** – Delays in filing necessarily affect BEA's already tight processing schedule for the annual survey and, therefore, requests for extension of the reporting deadline will not normally be granted. Nevertheless, a limited number of requests for extension in hardship cases will be considered. They must be in writing and received by BEA at least 15 days before the due date of the report and include substantive reasons for the extension. BEA will provide a written response to such requests.

**C. Assistance** – For assistance, telephone (202) 606-5577 between 8:30 a.m. and 4:30 p.m. eastern time.

**D. Annual stockholders' report** – Business enterprises issuing annual reports to stockholders are to furnish a copy of their FY 1999 annual report or Form 10K when filing the BE-15 report.

If you do not publish an annual stockholders' report or Form 10K, please provide any "audited" financial statements or "internal" statements that may be prepared. Please note that Section 5(c) of the International Investment and Trade in Services Survey Act, Public Law 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended, provides that this information be used for analytical and statistical purposes only and that it be held strictly confidential.

**E. Number of copies** – File a single original copy of each form and supplement. This should be the copy with the address label in Part I, if such a labeled copy has been provided by BEA. (Make corrections to the address on the label if necessary.) You must also retain a file copy of each report for five years to facilitate resolution of any questions that BEA may have concerning your report. (Both copies are protected by law; see the statement on confidentiality in paragraph VI.G., and on each form.)

**F. Where to send the report** – Send reports filed by mail through the U.S. Postal service to:

U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-49(A)  
Washington, DC 20230

Direct reports filed by direct private delivery to:

U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-49(A)  
Shipping and Receiving Section M100  
1441 L Street, NW  
Washington, DC 20005

**G. Confidentiality** – The Act provides that your report to this Bureau is CONFIDENTIAL, and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Additionally, the information filed in this report 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).

Information filed in this report 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.



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](http://www.bea.gov/help/information-for-survey-respondents).