

Types of Transactions

Select the Description Which Best Describes the Transaction Being Reported

BE-13A (Acquisition of a U.S Business Enterprise That Remains a Separate Entity) – File a BE-13A form if a foreign entity acquires a voting interest (directly, or indirectly through an existing U.S. affiliate) in a U.S. enterprise, segment, or operating unit and (1) the total cost of the acquisition is greater than \$3 million, (2) the U.S. business enterprise will operate as a separate legal entity, and (3) by this acquisition, at least 10 percent of the voting interest in the acquired entity is now held (directly or indirectly) by the foreign entity.

Include

- Purchase of U.S. real estate (including land) that is intended for lease or sale without significant added construction.

Exclude

- Purchase of U.S. real estate including land on which you intend to perform construction. Report either as part of the establishment of a new U.S. affiliate (Form BE-13B) or as the expansion of an existing U.S. affiliate (Form BE-13D), whichever is applicable.
- Acquisition of voting interest in an existing U.S. affiliate in which a foreign entity already has a 10 percent voting interest. Report on Form BE-13 Claim for Exemption.
- U.S. real estate to be held exclusively for personal use and not for profit making purposes. Report on Form BE-13 Claim for Exemption.

BE-13B (Establishment of a New U.S. Business Enterprise) – File a BE-13B form if a foreign entity, or an existing U.S. affiliate of a foreign entity, establishes a new legal entity in the United States and (1) the projected total cost to establish the new legal entity is greater than \$3 million, and (2) the foreign entity owns 10 percent or more of the new business enterprise's voting interest (directly or indirectly).

Include

- Creation of a new legal entity, whether incorporated or unincorporated, including a branch.
- Construction of real estate intended for lease or sale. If the construction is for purposes of an expansion see the instructions for reporting as an expansion on Form BE-13D.
- Creation of a new legal entity even if it does not have physical operations.

Exclude

- Purchase of U.S. real estate that is intended for lease or sale without significant added construction. This is deemed to be an acquisition of a U.S. business enterprise and should be reported on Form BE-13A.
- The creation of a holding company that is being set up with less than \$60 million, solely to acquire at least one target company within 180 days, and then will be dissolved.

Types of Transactions (continued)

BE-13C (Acquisition of a U.S. Business Enterprise That is Merged With an Existing U.S. Affiliate) – File a BE-13C form if an existing U.S. affiliate of a foreign parent acquires a U.S. business enterprise or segment that it then merges into its operations and the total cost to acquire the business enterprise is greater than \$3 million.

Include

- Acquisition of a U.S. business enterprise or segment made directly by a foreign parent and then merged into an existing U.S. affiliate of that foreign parent.

Exclude

- Acquisition of voting interest in an existing U.S. affiliate in which a foreign entity already has a 10 percent voting interest. Report on Form BE-13 Claim for Exemption.

BE-13D (Expansion of an Existing U.S. Affiliate) – File a BE-13D form if an existing U.S. affiliate of a foreign parent expands its operations to include a new facility where business is conducted and the projected total cost of the expansion is greater than \$3 million.

Include

- Construction or lease of a new facility by an existing U.S. affiliate.
- Construction of a facility that is intended for lease or sale by an existing U.S. affiliate.

Exclude

- Transfer of existing operations from one location to another.
- Replacement of equipment or upgrade of an existing facility.
- Expansion of an existing facility if it does not involve a separate facility where business is conducted.

BE-13E (Project Cost Update for Forms BE-13B and BE-13D) – File a BE-13E form if a U.S. business enterprise previously filed a BE-13B or BE-13D indicating that the established or expanded entity is still under construction. This form will collect updated cost information and will be collected annually until construction is complete.

Types of Transactions (continued)

BE-13 Claim for Exemption – File a BE-13 Claim for Exemption if a U.S. business enterprise (1) was contacted by BEA but does not meet the requirements for filing forms BE-13A, BE-13B, BE-13C, or BE-13D; or (2) whether or not contacted by BEA, met all requirements for filing on forms BE-13A, BE-13B, BE-13C, or BE-13D except the \$3 million reporting threshold.

Specifically, file a claim for exemption from forms BE-13A, BE-13B, BE-13C, and BE-13D in these cases:

- A U.S. business enterprise was contacted by BEA; however, there is no reporting requirement because there was no acquisition, establishment, or expansion by a foreign entity OR because the transaction that occurred did not result in a direct investment relationship.
- A U.S. business enterprise was contacted by BEA; however, the acquisition that occurred is not required to be reported since it represents U.S. real estate acquired and held exclusively for personal use and not for profit making purposes.
 - 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 not subject to the reporting requirements.
- A U.S. business enterprise was contacted by BEA; however, the acquisition that occurred is not required to be reported since it involves the acquisition of voting interest in an existing U.S. affiliate in which a foreign entity already owns 10 percent or more, directly or indirectly.
- A U.S. business enterprise was contacted by BEA; however, this new U.S. business enterprise is a holding company, AND is being set up solely for the purpose of acquiring or establishing at least one other U.S. business enterprise, AND the initial capitalization, including debt and equity, of the holding company is \$60 million or less, AND the acquisition or establishment will occur within 180 days of the creation of the holding company, AND the holding company will be dissolved after the acquisition or establishment.
 - NOTE: A BE-13 form will be required when the holding company acquires or establishes a U.S. business enterprise.
- A U.S. business enterprise has not previously filed a BE-13, BE-605, BE-12, or BE-15 AND the voting interest in this U.S. business enterprise is owned to the extent of 50 percent or less by another U.S. business enterprise that is subject to the filing requirements of the BE-13A or BE-13C.
- An acquisition, establishment, or expansion by a foreign entity occurred; however, the total actual or expected cost of the transaction is \$3 million or less.