

## Special Purpose Entities in the International Investment Position Accounts March 29, 2022

With the release of the U.S. International Investment Position (IIP) Accounts on December 30, 2021, the U.S. Bureau of Economic Analysis (BEA) introduced a new IIP table—table 2.2—that featured annual statistics for 2020 on U.S. direct investment positions in U.S. special purpose entities (SPEs), which are U.S. legal entities with little or no employment or physical presence.

With the IIP release on March 29, 2022, [table 2.2](#) was updated to include new annual statistics for 2021 on U.S. SPEs and was published as a prototype table in BEA's [Interactive Data Application](#). At yearend of 2021, U.S. SPEs accounted for \$593.6 billion, or 4.0 percent, of direct investment liabilities (table 2.2, line 6).

With the IIP release on June 28, 2022, BEA will expand the scope of table 2.2 to include annual statistics on U.S.-owned foreign SPEs, which are foreign legal entities with little or no employment or physical presence. The addition of foreign SPE statistics will provide users with a more comprehensive perspective on direct investment involving SPEs. Prototype table 2.2 released in March included placeholders for the forthcoming statistics on foreign SPEs. With the June 2022 release, table 2.2 will be incorporated into the standard presentation of the IIP in the Interactive Data Application and in BEA's [Data Application Programming Interface](#) with U.S. and foreign SPE statistics for 2019–2021.

Multinational enterprises increasingly set up complex global structures to maximize their worldwide profits. These structures include SPEs that can be set up to take advantage of different tax or regulatory regimes. The increased prevalence of SPEs heightens the need for separate statistics on their activities for analysis and for improved interpretability of macroeconomic statistics.

BEA's statistics on SPEs are compiled using its surveys of direct investment. Financial and operating data reported in the Annual and Benchmark Surveys of U.S. Direct Investment Abroad and Foreign Direct Investment in the United States are used to identify SPEs in the Quarterly Surveys of U.S. Direct Investment Abroad and Foreign Direct Investment in the United States. Based on guidelines from the [International Monetary Fund Task Force on Special Purpose Entities](#), BEA identifies entities as SPEs using the following criteria:

- Majority-owned by their U.S. or foreign parent(s)
- Zero to five employees
- Less than \$1 million of gross property, plant, and equipment
- Less than 10 percent of total sales to local customers

Additional information will be available in a preview article of BEA's annual update of the International Economic Accounts in the April 2022 [Survey of Current Business](#).