OMB NO. 0608-0034: APPROVAL EXPIRES 11/30/2028
U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

2025 ANNUAL SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES
BE-15 INSTRUCTIONS

Authority – This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act (P.L. 94-472., 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended, hereinafter "the Act"), and the filing of reports is MANDATORY pursuant to Section 5(b)(2) of the Act (22 U.S.C. 3104). A response is required from persons (in the broad sense, including companies) subject to the reporting requirements of the BE-15 survey. Also, persons contacted by BEA concerning their being subject to reporting, either by sending them a report form or by written inquiry, must respond pursuant to section 801.3 of 15 CFR, pt. 801 and the survey instructions. This may be accomplished by completing and submitting Form BE-15A, BE-15B, BE-15C, or BE-15 Claim for Exemption, whichever is applicable, by **May 31, 2026**.

Penalties – Whoever fails to report shall be subject to a civil penalty and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment or both (22 U.S.C. 3105). The civil penalties are subject to inflationary adjustments. Those adjustments are found in 15 C.F.R. 6.3. Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number. The control number for this survey is at the top of page 1 of the form.

Respondent Burden – Public reporting burden includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- **BE-15A** Form is estimated to vary from 3.5 to 470 hours per response, with an average of 44.45 hours per response.
- **BE-15B** Form is estimated to vary from 75 minutes to 9 hours per response, with an average of 3.6 hours per response.
- **BE-15C** Form is estimated to vary from 1 to 3 hours per response, with an average of 2.1 hours per response.
- **BE-15 Claim for Exemption** Form is estimated to vary from 20 minutes to 75 minutes per response, with an average of 1 hour per response.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, 4600 Silver Hill Road, Washington, DC 20233; and to the Office of Management and Budget, Paperwork Reduction Project 0608- 0034, Washington, DC 20503.

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 you to be specifically identified. Your report cannot be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process. Per the Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through secure monitoring of the BEA information systems.

I. FILING THE BE-15

A. Due date – A completed report, or Claim for Exemption from filing, covering a reporting company's fiscal year ending in calendar year 2025 is due no later than May 31, 2026. Go to **www.bea.gov/efile** for details about using eFile.

B. Extensions – For the efficient processing of the survey and timely dissemination of the results, it is important that your report is filed by the due date. Nevertheless, reasonable requests for extension of the filing deadline will be granted. Requests for extensions may be submitted through the eFile system at **www.bea.gov/efile**. All requests for extensions must be received **NO LATER THAN** May 31, 2026.

C. Assistance – For assistance, telephone (301) 278-9247, or send email to **be12/15@bea.gov**. Forms can be obtained from BEA's Web site at: **www.bea.gov/fdi**.

D. Retention of copies – Each U.S. Reporter must retain a copy of its report to facilitate resolution of problems. These copies should be retained by the U.S. Reporter for at least 3 years after the report's original due date.

E. Electronic filing option (eFile) – BEA requires electronic filing for use in reporting on the BE-15 annual survey forms. Log-in or create an account at **www.bea.gov/efile**.

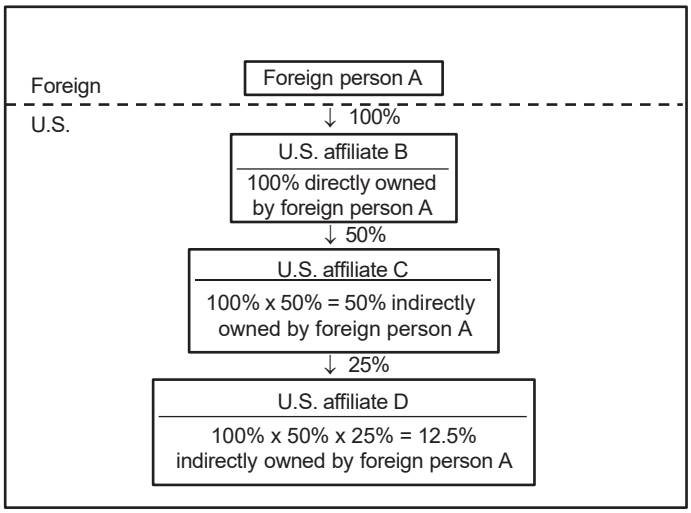
F. Annual stockholders' report or other financial statements – Furnish a copy of your FY 2025 annual stockholders' report or Form 10-K when filing the BE-15 report. If you do not publish an annual stockholders' report or file Form 10-K, provide any financial statements that may be prepared, including the accompanying notes. Information contained in these statements is useful in reviewing your report and may reduce the need for further contact. 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 can be used for analytical and statistical purposes only and that it must be held strictly confidential.

G. Retention of copies – Each U.S. affiliate must retain a copy of its report to facilitate resolution of problems. These copies should be retained by the U.S. affiliate for at least 3 years after the report's original due date.

II. REPORTING REQUIREMENTS

A. Who must report – A BE-15 report is required for each U.S. affiliate, i.e., for each U.S. business enterprise in which all foreign persons or entities owned or controlled, directly or indirectly, 50 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 fiscal year that ended in calendar year 2025. Certain private funds may be exempt from filing; see item 2(e) on page 4 of the BE-15 Claim for Exemption for more information.

B. Foreign ownership interest – All direct and indirect lines of ownership held by a foreign person in a given U.S. business enterprise must be summed to determine if the enterprise is a U.S. affiliate of the foreign person for purposes of reporting. Indirect ownership interest in a 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 multiplied by that first enterprise's direct ownership percentage in the second U.S. business enterprise, multiplied by 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.



Example: In the diagram above, foreign person A owns 100% of the voting stock of U.S. affiliate B; U.S. affiliate B owns 50% of the voting stock of U.S. affiliate C; and U.S. affiliate C owns 25% of the voting stock of U.S. affiliate D. Therefore, U.S. affiliate B is 100% directly owned by foreign person A; U.S. affiliate C is 50% indirectly owned by foreign person A; and U.S. affiliate D is 12.5% indirectly owned by foreign person A.

A report is required even if the foreign person's voting interest in the U.S. business enterprise was established or acquired during the reporting period. Beneficial, not record, ownership is the basis of the reporting criteria. Voting securities, voting stock, and voting interest all have the same general meaning and are used interchangeably throughout these instructions and the report forms.

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. Agencies and representative offices – U.S. representative offices, agents, and employees of a foreign person or entity that meet the criteria outlined below are not considered to be U.S. affiliates, and therefore, should not be reported on Forms BE-15A, BE-15B, or BE-15C. However, a foreign person's or entity's disbursements to maintain U.S. sales and representative offices must be reported on Form BE-125, Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons. Copies of Form BE-125 are available on BEA's Web site at: **www.bea.gov/ssb**.

A U.S. presence of a foreign person or entity (or their representative(s)) is considered a U.S. sales promotion or representative office if:

1. It is engaged only in sales promotion, representational activities, public relations activities, or the gathering of market information, on behalf of the foreign person or entity;

2. It does not produce revenue (other than funds from the foreign person or entity to cover its expenses); and

3. It has minimal assets held either in its own name or the name of the foreign person or entity.

A U.S. presence of a foreign person or entity (or their representative(s)) that produces revenue for its own account from goods or services it provides to others is considered a U.S. affiliate and is subject to the BE-15 reporting requirements.

II. REPORTING REQUIREMENTS – Continued

Which form to file – Review the questions below and the flow chart on this page to determine if your U.S. business enterprise is required to file the BE-15 survey.

1. Were at least 10 percent of the voting rights in your business enterprise directly or indirectly owned by a foreign person or entity at the end of your fiscal year that ended in calendar year 2025?

- ☐ Yes — Continue with question 2.
- ☐ No — File Form BE-15 Claim for Exemption by May 31, 2026.

2. Were more than 50 percent of the voting rights in this U.S. business enterprise owned by another U.S. affiliate at the end of this U.S. business enterprise's fiscal year that ended in calendar year 2025?

- ☐ Yes — Continue with question 3.
- ☐ No — Skip to question 4. NOTE: Your business is hereafter referred to as a "U.S. affiliate."

3. Do different foreign persons hold a direct and an indirect ownership interest in this U.S. business enterprise (exception c to the consolidation rules)? (The consolidation rules are found in instruction III.A. starting on page 4.)

- ☐ Yes — Continue with question 4. NOTE: Your business is hereafter referred to as a "U.S. affiliate."
- ☐ No – This U.S. business enterprise must be consolidated on the BE-15 report of the U.S. affiliate that owns it more than 50 percent. File Form BE-15 Claim for Exemption.

  Notify the U.S. affiliate that owns this affiliate more than 50 percent and have them consolidate your data into their report.

4. Did **any one** of the items – Total assets, Sales or gross operating revenues, or Net income (loss) – for the U.S. affiliate (not just the foreign parent's share) exceed $40 million at the end of, or for, its fiscal year that ended in calendar year 2025?

- ☐ Yes — Continue with question 5.
- ☐ No – File Form BE-15 Claim for Exemption by May 31, 2026.

5. Was the U.S. affiliate majority-owned by its foreign parent(s) at the end of its fiscal year that ended in calendar year 2025? (A U.S. affiliate is "majority-owned" if the combined direct and indirect ownership interests of all foreign parents of the U.S. affiliate exceed 50 percent.)

- ☐ Yes — Continue with question 6.
- ☐ No — File Form BE-15 Claim for Exemption by May 31, 2026.

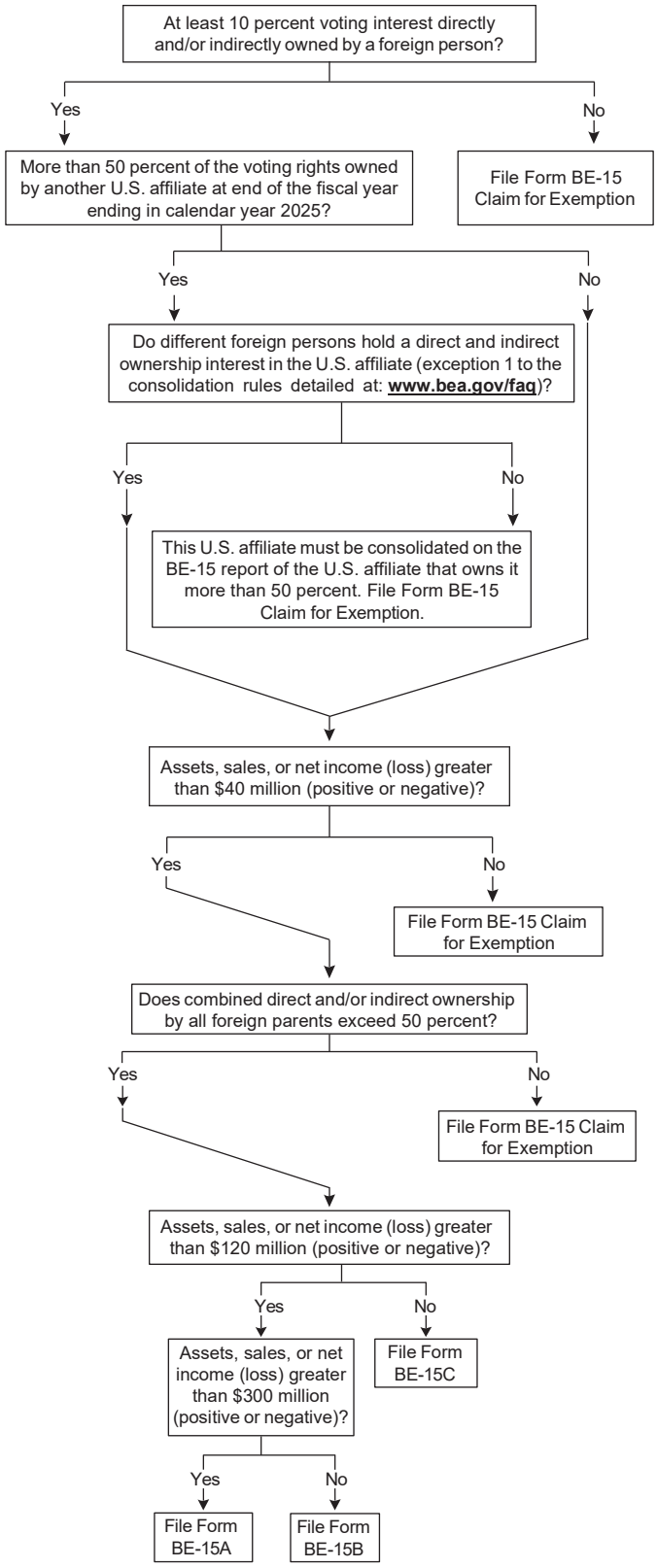
6. Did **any one** of the items – Total assets, Sales or gross operating revenues, or Net income (loss) – for the U.S. affiliate (not just the foreign parent's share) exceed $120 million at the end of, or for, its fiscal year that ended in calendar year 2025?

- ☐ Yes — Continue with question 7.
- ☐ No – File Form BE-15C by May 31, 2026.

7. Did **any one** of the items – Total assets, Sales or gross operating revenues, or Net income (loss) – for the U.S. affiliate (not just the foreign parent's share) exceed $300 million at the end of, or for, its fiscal year that ended in calendar year 2025?

- ☐ Yes — File Form BE-15A by May 31, 2026.
- ☐ No — File Form BE-15B by May 31, 2026.

Which 2025 BE-15 Form to File?



NOTE: Certain private funds may be exempt from filing. See **www.bea.gov/surveys/privatefunds** for more information.

III. WHO MUST FILE FORM BE-15 – 2025 ANNUAL SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES?

A. A Form BE-15A must be completed and filed by May 31, 2026, by each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2025, if:

a. The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2025, was **more than 50 percent** (i.e., the voting securities, or equivalent interest were **Majority-owned** by foreign parents), **and**

b. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, any one of the following three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $300 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2025.

B. A Form BE-15B must be completed and filed by May 31, 2026, by each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2025, if:

a. The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2025, was **more than 50 percent** (i.e., the voting securities, or equivalent interest were **Majority-owned** by foreign parents), **and**

b. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, any one of the following three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $120 million (positive or negative) but not greater than $300 million (positive or negative).

C. A Form BE-15C must be completed and filed by May 31, 2026, by each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2025, if:

a. The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2025, was **more than 50 percent** (i.e., the voting securities, or equivalent interest were **Majority-owned** by foreign parents), **and**

b. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, any one of the three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $40 million (positive or negative) but not greater than $120 million (positive or negative).

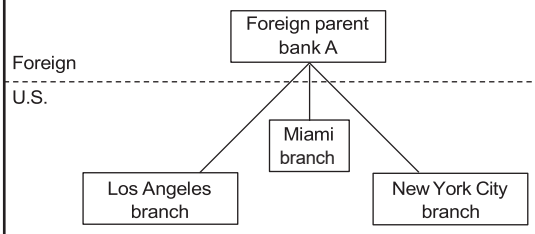
Aggregation of real estate investments – Aggregate all real estate investments in the United States of a foreign person for the purpose of applying the reporting criteria. Use a single report form to report the aggregate holdings, unless BEA has granted permission to do otherwise. Those holdings not aggregated must be reported separately. Real estate is discussed more fully in instruction S on page 13.

Aggregated reporting for banks – All U.S. branches and agencies (including International Banking Facilities) directly owned by a foreign bank may be aggregated on a single BE-15. U.S. branches and agencies, directly owned by the foreign parent, that are aggregated on this report should be counted separately and listed separately on the Supplement A to this form. See Example A below.

U.S. branches and agencies, owned by a U.S. bank affiliate, should be consolidated on this report but not counted separately and not listed separately on the Supplement A to this form. See Example B below.

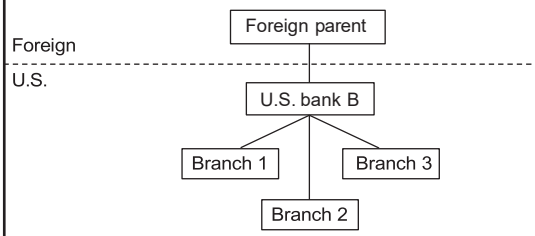
Note that subsequent filings of Form BE-15 annual reports and Form BE-605 quarterly reports with BEA, if required, must be on the same aggregated basis. If all U.S. branches and agencies directly owned by a foreign bank are not aggregated on a single report, then each branch or agency must file a separate BE-15.

Example A



Data for **all** three branches (Miami, Los Angeles, and New York City) owned by foreign parent bank A may be aggregated on a single BE-15. If aggregated, list **all** three branches on the Supplement A. Report "3" as the number of U.S. branches aggregated.

Example B



Consolidate data for **each** branch (branch 1, branch 2, and branch 3) and U.S. bank B on a single BE-15. DO NOT list them on the Supplement A. Report "1" as number of U.S. affiliates consolidated.

IV. DEFINITIONS

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.

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.

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).

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, or
4. a corporation and its domestic subsidiaries.

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

Direct investment means ownership or control, directly or indirectly, by one person of 10 percent or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

Foreign direct investment in the United States means the ownership or control, directly or indirectly, by one foreign person of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated.

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

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

Affiliate means a business enterprise located in one country that is directly or indirectly owned or controlled by a person of another country to the extent of 10 percent or more of its voting securities for an incorporated business enterprise or an equivalent interest for an unincorporated business enterprise, including a branch.

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

Majority-owned U.S. affiliate means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate exceeds 50 percent.

Minority-owned U.S. affiliate means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate is 50 percent or less.

Foreign parent is a foreign person that directly or indirectly holds a voting interest of 10 percent or more in the U.S. affiliate. It is 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.

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 percent of the person below it up to and including that person which is not owned more than 50 percent 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 percent by the person above it.

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

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

Ultimate beneficial owner (UBO) is the person or entity, proceeding up the ownership chain beginning with and including the foreign parent, in which no other entity has more than 50 percent direct voting interest. Note: Stockholders of a closely or privately held corporation are normally considered to be an associated group and may be a UBO.

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, bank holding companies, and financial holding companies under the Gramm-Leach-Bliley Act.

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.

Financial 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 asset would not be considered as owned by the lessor.

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 contemplated.

Private fund refers to the same class of financial entities defined by the Securities and Exchange Commission as private funds on form PF: "any issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of ...[that] Act."

V. GENERAL INSTRUCTIONS

A. Changes in the reporting entity – DO NOT restate close fiscal year 2024 balances for changes in the consolidated reporting entity that occurred during fiscal year 2025. The close fiscal year 2024 balances should represent the reporting entity as it existed at the close of fiscal year 2024.

B. Required information not available – Make all reasonable efforts to obtain the information required for reporting. Answer every item except where specifically exempt. Indicate when only partial information is available.

C. Estimates – If actual figures are not available, provide estimates and label them as such. When items cannot be fully subdivided as required, provide totals and an estimated breakdown of the totals.

a. Certain sections of Form BE-15 require data that may not normally be maintained in a company's customary accounting records. Precise answers for these items may present the respondent with a substantial burden beyond what is intended by BEA. This may be especially true for:

i. Number of employees in each industry of sales.

ii. 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.

iii. U.S. trade in goods by U.S. affiliate on a shipped basis, and

iv. Data disaggregated by state.

b. Therefore, the answers in the sections above may be reasonable estimates based upon the informed judgment of persons in the responding organization, sampling techniques, prorations based on related data, etc. However, the estimating procedures used should be consistently applied to all BEA surveys.

D. Specify – When "specify" is stated for certain items, provide the type and dollar amount of the major items included in the data provided.

E. Space on form insufficient – When space on a form is insufficient to permit a full answer to any item, provide the required information via Secure Messaging in eFile, appropriately labeled and referenced to the item number on the form.

VI. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM

A. Consolidation Rules

a. Consolidated reporting by the U.S. affiliate —

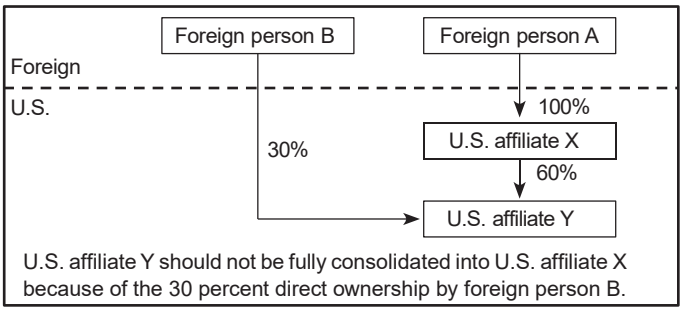
i. A U.S. affiliate must file on a fully consolidated domestic U.S. basis, including in the full consolidation all U.S. business enterprises proceeding down each ownership chain whose voting securities are more than 50 percent owned by the U.S. business enterprise above. The fully consolidated entity is considered one U.S. affiliate.

ii. A foreign person holding real estate investments that are reportable on the BE-15 must aggregate all such holdings. See Instruction S on page 13.

iii. Do not prepare your BE-15 report using the proportionate consolidation method. Except as noted below, consolidate all majority-owned U.S. business enterprises into your BE-15 report.

1. Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership. These rules can be found on BEA's Web site at: **www.bea.gov/help/faq/1011**. Also see instruction B on pg. 8 for additional information about partnerships.

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 report. (See diagram below.)



U.S. affiliate Y should not be fully consolidated into U.S. affiliate X because of the 30 percent direct ownership by foreign person B.

iv. Unless the exceptions discussed below apply, any deviation from these consolidation rules must be approved in writing by BEA. If you file deconsolidated reports, you must file the same type of reports that would have been required if a consolidated report was filed.

v. Report on majority-owned subsidiaries, if not consolidated, on the BE-15 using the equity method of accounting. DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for affiliates not consolidated.

b. Exceptions to consolidated reporting – Note: If a U.S. business enterprise is not consolidated into another U.S. affiliate's BE-15 report, then it must file its own Form BE-15.

i. Do not consolidate foreign subsidiaries, branches, operations, or investments no matter what the percentage ownership.

1. Include foreign holdings owned 20 percent or more using the equity method of accounting. DO NOT report employment, land, and other property, plant, and equipment and DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for holdings reported using the equity method.

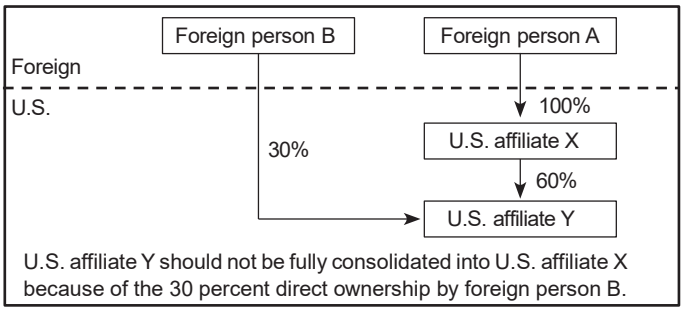
2. Oil and gas sites owned by U.S. affiliates and located outside of U.S. claimed territorial waters are to be treated as foreign subsidiaries of the U.S. affiliates if they meet one of the following criteria: (1) they are incorporated in a foreign country; (2) they are set up as a branch; or (3) they have a physical presence in a foreign country as evidenced by property, plant and equipment or employees located in that country.

3. Real estate located outside the United States that is owned by the U.S. affiliate and generates revenues for, or reimbursements to, the U.S. affiliate, or that facilitates the foreign operations of the U.S. affiliate is a foreign subsidiary and should not be consolidated on this BE-15 report.

ii. Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership. These rules can be found on BEA's Web site at: **www.bea.gov/help/faq/1011**. Also see instruction E.b. on page 8 for additional information about partnerships.

iii. 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 report. (See diagram below.)

1. If this exception applies, reflect the indirect ownership interest, even if more than 50 percent, on the balance sheet and income statement of the owning U.S. affiliate's BE-15 report on an equity basis. For example, using the situation shown in the diagram above, U.S. affiliate X must treat its 60 percent ownership interest in U.S. affiliate Y as an equity investment.



U.S. affiliate Y should not be fully consolidated into U.S. affiliate X because of the 30 percent direct ownership by foreign person B.

B. Reporting period — The report covers the U.S. affiliate's 2025 fiscal year. The affiliate's 2025 fiscal year is defined as the affiliate's financial reporting year that had an ending date in calendar year 2025.

a. Special circumstances:

i. U.S. affiliates without a financial reporting year — If a U.S. affiliate does not have a financial reporting year, its fiscal year is deemed to be the same as calendar year 2025.

ii. Change in fiscal year

1. New fiscal year ends in calendar year 2025 – A U.S. affiliate that changed the ending date of its financial reporting year should file a 2025 BE-15 report that covers the 12-month period prior to the new fiscal year end date. The following example illustrates the reporting requirements.

a. Example 1: U.S. affiliate A had a June 30, 2024, fiscal year end date but changed its 2025 fiscal year end date to March 31. Affiliate A should file a 2025 BE-15 report covering the 12-month period from April 1, 2024, to March 31, 2025.

i. The ending balance sheet amounts reported in column 1 must be the correct balances as of March 31, 2025. The beginning balance sheet amounts reported in column 2 must be the un-restated ending balances as of June 30, 2024.

ii. To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate A must include an adjusting entry in item. To reconcile the beginning and ending net property, plant and equipment balances, affiliate A must include an adjusting entry.

2. **No fiscal year ending in calendar year 2025 –** If a change in fiscal year results in a U.S. affiliate not having a fiscal year that ended in calendar year 2025, the affiliate should file a 2025 BE-15 report that covers 12 months. The following example illustrates the reporting requirements.

a. Example 2: U.S. affiliate B had a December 31, 2024, fiscal year end date but changed its next fiscal year end date to March 31. Instead of having a short fiscal year ending in 2025, affiliate B decides to have a 15-month fiscal year running from January 1, 2025, to March 31, 2026. Affiliate B should file a 2025 BE-15 report covering a 12-month period ending in calendar year 2024, such as the period from April 1, 2024, to March 31, 2025.

b. In this example, the ending balance sheet amounts reported in column 1 must be the correct balances as of March 31, 2025. The beginning balance sheet amounts reported in column 2 must be the un-restated ending balances as of December 31, 2024. To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate B must include an adjusting entry. To reconcile the beginning and ending net property, plant and equipment balances, affiliate B must include an adjusting entry.

c. For 2026, assuming no further changes in the fiscal year end date occur, affiliate B should file a BE-15 report covering the 12-month period from April 1, 2025, to March 31, 2026.

C. Reporting for a U.S. business that became a U.S. affiliate during fiscal year 2025

a. A U.S. business enterprise that was newly established in fiscal year 2025 should file a report for the period starting with the establishment date up to and ending on the last day of its fiscal year that ended in calendar year 2025. DO NOT estimate amounts for a full year of operations if the first fiscal year is less than 12 months.

b. A U.S. business enterprise existing before fiscal year 2025 that became a U.S. affiliate in fiscal year 2025 should file a report covering a full 12 months of operations.

D. Determining place of residence and country of jurisdiction of individuals

a. An individual is considered a resident of, and subject to the jurisdiction of, the country in which he or she is physically located. The following guidelines apply to individuals who do not reside in their country of citizenship:

i. 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.

ii. 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 iii and iv below.

iii. 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 is considered a resident of the country of citizenship, provided there is the intent to return to the country of citizenship within a reasonable period of time.

iv. 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.

E. Form of organization of U.S. affiliate – Reporting by unincorporated U.S. affiliates

a. Directly owned vs. indirectly owned

i. Directly owned – Each unincorporated U.S. affiliate, including a branch, that is directly owned 50 percent or more by a foreign person should file a separate BE-15 report. Do not combine two or more directly owned U.S. affiliates on a single BE-15 report. The only exceptions are for U.S. affiliates that are real estate investments or banks. See Instruction **S** on page 13 for details on real estate.

ii. Indirectly owned – Except as noted in the exceptions to the consolidation rules in Instruction **A** on page 6, an indirectly owned unincorporated U.S. business enterprise that is owned more than 50 percent (voting interest) by another U.S. affiliate should be fully consolidated on the report with the U.S. affiliate that holds the voting interest greater than 50 percent.

b. Partnerships – Most partnerships are either general partnerships or limited partnerships. A general partnership usually consists of at least two general partners who together control the partnership. A limited partnership usually consists of at least one general partner and one limited partner. The general partner usually controls a limited partnership. The limited partner has a financial interest but does not usually have any voting rights (control) in a limited partnership. **Partners without voting rights (control) cannot have direct investment in a partnership.** Therefore, limited partners do not usually have direct investment. The existence of direct investment in a partnership is determined by the percentage of control exercised by the partner(s). The percentage of control exercised by a partner may differ from its financial interest in the partnership.

i. General partnerships

1. Determination of voting interest – "Voting interest" is defined in instruction **G** on page 9. The determination of the percentage of voting interest of a general partner is based on who controls the partnership. The percentage of voting interest is not based on the percentage of ownership in the partnership's equity. The general partners are presumed to control a general partnership. Unless a clause to the contrary is contained in the partnership agreement, a general partnership is presumed to be controlled equally by each of the general partners. For example, if a partnership has two general partners, and nothing to the contrary is stated in the partnership agreement, each general partner is presumed to have a 50 percent voting interest. If there are three general partners, each general partner is presumed to have a one- third voting interest, etc.

2. Managing partners – If one general partner is designated as the managing partner, responsible for the day-to-day operations of the partnership, this does not necessarily transfer control of the partnership to the managing partner. If the managing partner must obtain approval for annual operating budgets and for decisions relating to significant management issues from the other general partners, then the managing partner does not have a 100 percent voting interest in the partnership.

ii. Limited partnerships

1. Determination of voting interest – "Voting interest" is defined in instruction **G** on page 9. The determination of the percentage of voting interest in a limited partnership is based on who controls the partnership. The percentage of voting interest is not based on the percentage of ownership in the partnership's equity. In most cases, the general partner is presumed to control a limited partnership, and therefore, have a 100 percent voting interest in the limited partnership. If there is more than one general partner, the partnership is presumed to be controlled equally by each of the general partners, unless a clause to the contrary is contained in the partnership agreement. For example, if a limited partnership has two general partners, and nothing to the contrary is stated in the partnership agreement, then each general partner is presumed to have a 50 percent voting interest in the limited partnership.

a. Limited partners do not normally exercise any control over a limited partnership. Therefore, unless a clause to the contrary is contained in the partnership agreement, limited partners are presumed to have zero voting interest in a limited partnership. If a limited partnership has one or more limited partners who are foreign persons, the foreign limited partners are presumed to have no voting interest, and, therefore, no direct investment in the limited partnership.

b. Managing partners – See discussion under "General Partnerships" above.

2. Consolidation Rules

a. Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership. These rules can be found on BEA's Web site at: **www.bea.gov/help/faq/1011.**

iii. Limited Liability Companies (LLCs)

1. Determination of voting interest – "Voting interest" is defined in instruction **G** on page 9. The determination of the percentage of voting interest in an LLC is based on who controls the LLC. The percentage of voting interest is not based on the percentage of ownership in LLC's equity. LLCs are presumed to be controlled equally by each of its members (owners), unless a clause to the contrary is contained in the articles of organization or the operating agreement. For example, if an LLC has two members, and nothing to the contrary is contained in the articles of organization or the operating agreement, then each member is presumed to have a 50 percent voting interest in the LLC; if there are three members, then each member is presumed to have a one-third voting interest in the LLC.

2. Managing member – If one member is designated as the managing member responsible for the day-to-day operations of the LLC, this does not necessarily transfer control of the LLC to the managing member. If the managing member must obtain approval for annual operating budgets and decisions relating to other significant management issues from the other members, then the managing member does not have a 100 percent voting interest in the LLC.

F. U.S. affiliates NOT consolidated – Report investments in U.S. business enterprises that are owned 20 percent or more and not fully consolidated using the equity method of accounting. DO NOT report employment, land, and other property, plant, and equipment and DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for holdings reported using the equity method.

a. Report investments owned less than 20 percent at fair value, or your normal reporting practice, in accordance with FASB ASC 321.

G. Ownership — Voting interest and equity interest

a. Voting interest is the percent of ownership in the voting equity of the U.S. affiliate. Voting equity consists of ownership interests that have a say in the management of the company. Examples of voting equity include capital stock that has voting rights and a general partner's interest in a partnership. See instruction **E.b**, on page 8 for information about determining the voting interest for partnerships. See instruction **E.iii.** on page 6 for information about determining the voting interest for Limited Liability Companies.

b. Equity interest is the percent of ownership in the total equity (voting and nonvoting) of the U.S. affiliate. Nonvoting equity consists of ownership interests that do not have a say in the management of the company. An example of nonvoting equity is preferred stock that has no voting rights.

c. Voting interest and equity interest are not always equal. For example, an owner can have a 100 percent voting interest in a U.S. affiliate but own less than 100 percent of the affiliate's total equity. This situation is illustrated in the following example.

i. Example: U.S. affiliate A has two classes of stock, common and preferred. There are 50 shares of common stock outstanding. Each common share is entitled to one vote and has an ownership interest in 1 percent of the total owners' equity amount. There are 50 shares of preferred stock outstanding. Each preferred share has an ownership interest in 1 percent of the total owners' equity amount but has no voting rights. Foreign parent B owns all 50 shares of the common stock. U.S. investors own all 50 shares of the preferred stock. Since foreign parent B owns all of the voting stock, foreign parent B has a 100 percent voting interest in U.S. affiliate A. However, since all 50 shares of the nonvoting preferred shares are owned by U.S. investors, foreign parent B has only a 50 percent equity interest in the owners' equity amount of U.S. affiliate A.

H. Industry classification, total sales, and employees of fully consolidated U.S. affiliate

a. Book publishers and printers – Printing books without publishing is classified in International Surveys Industry (ISI) code 3231 (printing and related support activities) not ISI code 5131 (newspaper, periodical, book, and directory publishers).

b. Real estate investment trusts (REITS) – Report hybrid or mortgage REITS in ISI code 5252 (funds, trusts, and other finance vehicles). Report all other REITS in ISI code 5310 (real estate).

c. Repos and reverse repos – On the sales schedule, interest income and interest expense associated with repos and reverse repos should be offset against one another and reported at the net amount. This net amount should also be reported in investment income included in gross operating revenues. However, in interest income from all sources and interest expense plus interest capitalized, interest income and interest expense associated with repos and reverse repos should be reported at the gross amounts. On the balance sheet, reverse repos should be reported as assets and included in other assets while repos should be reported as liabilities and included in total liabilities.

VI. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM – Continued

I. Certain gains (losses)

a. Read the following instructions carefully as they are based on economic accounting concepts and, in some cases, may deviate from accounting principles.

b. Report at gross amount before income tax effect. Report gains (losses) resulting from:

i. **Extraordinary, unusual, or infrequently** occurring items that are material. Include losses from accidental damage or disasters, after estimated insurance reimbursement. Include other material items, including write-ups, write-downs, and write-offs of tangible and intangible assets; and gains (losses) from the sale or other disposition of capital assets. Exclude legal judgments.

ii. **Restructuring.** Include restructuring costs that reflect write-downs or write-offs of assets or liabilities. EXCLUDE actual payments or charges to establish reserves for future actual payments, such as for severance pay, and fees to accountants, lawyers, consultants, or other contractors.

iii. **Sale or** disposition of land, other property, plant and equipment, or other assets, and FASB ASC 360 impairment losses. EXCLUDE gains (losses) from the sale of inventory assets in the ordinary course of trade or business. Real estate companies, see special instructions.

iv. **Sales or other dispositions of financial assets,** including investment securities; gains (losses) related to fair value accounting; FASB ASC 320 holding gains (losses) on securities classified as trading securities; FASB ASC 320 impairment losses; FASB ASC 321 unrealized holding gains (losses) on securities measured at fair value; and gains and losses derived from derivative instruments.

v. **Goodwill impairment** as defined by FASB ASC 350.

vi. **DISPOSALS of discontinued operations.** EXCLUDE income (loss) from the operations of a discontinued segment. Report such income (loss) as part of your income from operations.

vii. **Remeasurement of the U.S. affiliate's foreign–currency**– denominated assets and liabilities due to changes in foreign exchange rates during the reporting period.

viii. The cumulative effect of a **change in accounting principle**; and

ix. The cumulative effect of **a change in the estimate of stock compensation forfeitures** under FASB ASC 718.

c. Special instructions for real estate companies. Real estate companies –

i. Include in Certain gains (losses):

1. Impairment losses as defined by FASB ASC 360, and

2. Goodwill impairment as defined by FASB ASC 350.

ii. **EXCLUDE** the revenues earned and expenses incurred from the sale of real estate you own. Such revenues should be reported as operating income, and as sales of goods. Such expenses, including the net book value of the real estate sold, should be reported as costs of goods sold. Do not net the expenses against the revenues.

J. Sales of goods – Goods are outputs that are tangible. Report as sales of goods:

a. Mass produced media, including exposed films, video tapes, DVDs, audio tapes, and CDs.

b. Books. NOTE: Book publishers – To the extent feasible, report as sales of services all revenues associated with the design, editing, and marketing activities necessary for producing and distributing books that you both publish and sell. If you cannot unbundle (i.e., separate) these revenues from the value of the books you sell, then report your sales as sales of goods or services based on the best estimate of the value in each.

c. Energy trading activities where you take title to the goods. NOTE: If you act in the capacity of a broker or agent to facilitate the sale of goods and you do not take title to the goods, report your revenue (i.e., commissions) as sales of services.

d. Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services.

e. Packaged general use computer software.

f. Structures sold by businesses in real estate.

g. Revenues earned from building structures by businesses in construction.

h. Electricity, natural gas, and water. NOTE: Revenues derived from transmitting and/or distributing these goods, as opposed to revenues derived from the sale of the actual product, should, to the extent feasible, be reported as sales of services.

K. Investment income – Report ALL interest and dividends generated by finance and insurance subsidiaries or units as investment income. NOTE: Report commissions and fees as sales of services.

L. Sales of services – Services are outputs that are intangible.

a. Report as sales of services:

i. Advertising revenue.

ii. Commissions and fees earned by companies engaged in finance and real estate activities.

iii. Commissions earned by agents or brokers (i.e., wholesalers) who act on behalf of buyers and sellers in the wholesale distribution of goods.

iv. Magazines and periodicals sold through subscriptions. NOTE: Report magazines and periodicals sold through retail stores as sales of goods.

v. Newspapers.

vi. Pipeline transportation.

vii. Software downloaded from the Internet, electronic mail, an extranet, Electronic Data Interchange network, or some other online system.

viii. Computer systems design and related services.

ix. Negotiated licensing fees for software to be used on networks.

x. Electricity transmission and distribution, natural gas distribution, and water distribution.

M. Employment by location – Include all full-time and part-time employees on the payroll at the end of FY 2025. If employment at the end of FY 2025, or the count taken at some other time during FY 2025, 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 2025. If precise figures are not available, give your best estimate.

a. **Location** of employees is the U.S. state, territory, or possession in which the person is permanently employed.

b. **Foreign –** Except as noted below, exclude employees located outside of the United States.

i. Employees normally located in the United States who are on a temporary duty assignment outside of the country for one year or less should be reported in the U.S. state where they are normally located.

ii. Employees normally located in the United States who are on a duty assignment outside of the country for more than one year and carried on the payroll of the domestic U.S. affiliate should be reported in foreign. Exclude these employees from the BE- 15 report if they are carried on a foreign payroll.

N. Employee compensation - Employee compensation includes wages and salaries and 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.

i. 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 persons who are not employees.

ii. Include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Include employer contributions to benefit funds. Exclude payments made by, or on behalf of, benefit funds rather than by the employer.

iii. Include in-kind payments, valued at their cost, that are **clearly and primarily of benefit to the employees as consumers**. Exclude expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement for business expenses.

b. **Employee benefit plans** are 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.

i. 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.

O. Research and development (R&D) performed BY the U.S. affiliate –

a. Research and development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge. This includes

i. **Basic research** is the pursuit of new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest.

ii. **Applied research** applies the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives with respect to new products, services, processes, or methods.

iii. **Development** is the systematic use of the knowledge or understanding gained from research or practical experience directed toward the production or significant improvement of useful products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems.

iv. R&D includes both direct costs such as salaries of researchers as well as administrative and overhead costs clearly associated with the company's R&D.

b. The term R&D does **NOT** include expenditures for:

i. Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project

ii. Market research

iii. Efficiency surveys or management studies

iv. Literary, artistic, or historical projects, such as films, music, or books and other publications

v. Prospecting or exploration for natural resources

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

i. **INCLUDE** all costs incurred to support R&D performed by the affiliate.

ii. **INCLUDE** wages, salaries, and related costs; materials and supplies consumed; depreciation on R&D property and equipment; cost of computer software used in R&D activities; utilities, such as telephone, electricity, water, and gas; travel costs and professional dues; property taxes and other taxes (except income taxes) incurred on account of the R&D organization or the facilities they use; insurance expenses; maintenance and repair, including maintenance of buildings and grounds; company overhead including: personnel, accounting, procurement and inventory, and salaries of research executives not on the payroll of the R&D organization.

iii. **EXCLUDE** capital expenditures, expenditures for tests and evaluations once a prototype becomes a production model, patent expenses, and income taxes and interest.

d. R&D included in development of software and Internet applications

i. **INCLUDES:**

1. Software development or improvement activities that expand scientific or technological knowledge

2. Construction of new theories and algorithms in the field of computer science

ii. **EXCLUDES:**

1. Software development that does not depend on a scientific or technological advance, such as

a. supporting or adapting existing systems

b. adding functionality to existing application programs, and

c. routine debugging of existing systems and software

2. Creation of new software based on known methods and applications

3. Conversion or translation of existing software and software languages

4. Adaptation of a product to a specific client, unless knowledge that significantly improved the base program was added in that process

P. U.S. trade in goods by U.S. affiliate on a shipped basis

a. "U.S. Trade in goods" is the physical movement of goods between the customs area of the United States and the customs area of a foreign country.

i. 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.

ii. Goods shipped by an independent carrier or a freight forwarder to or from the United States at the expense of a U.S. affiliate are imports or exports of the U.S. affiliate.

b. Report U.S. trade in goods on a **"shipped" basis** rather than a "charged" basis. The shipped basis looks at the physical movement of goods.

i. U.S. affiliates normally keep their accounting records on a "charged basis." The "charged" basis may be used if there is no material difference between it and the "shipped" basis. However, if there is a material difference, the "shipped" basis must be used or adjustments must be made to the "charged" basis data to approximate a "shipped" basis. To adjust "charged" basis data to a "shipped" basis it may be necessary to look at export and import declarations filed with U.S. customs or shipping and receiving documents to determine the physical movement of goods.

ii. Differences between the "charged" and "shipped" basis may be substantial. A major difference arises when a U.S. affiliate buys goods in foreign country A and sells them in foreign 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 would show 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 U.S. export, respectively.

c. Timing – Only include goods actually shipped during FY 2025 regardless of when the goods were charged or consigned.

d. Valuation of exports and imports – Value goods f.a.s. (free alongside ship) at the port of exit. INCLUDE all costs incurred up to the point of loading the goods aboard the export carrier at the port of exit, including the selling price at the interior point of shipment (or cost if not sold), packaging costs, and inland freight and insurance. EXCLUDE all subsequent costs such as loading costs, U.S. and foreign import duties, and freight and insurance from the port of export to the port of entry.

e. In-transit goods – Exclude the value of any goods that are in-transit. In-transit goods are goods that are enroute from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and goods enroute from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

f. Capital goods – Include capital goods (e.g., manufacturing equipment used to produce goods for sale) but exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or merchandise.

g. Consigned goods – Include consigned goods in the trade figures when shipped or received, even though they are not normally recorded as sales or purchases or entered into intercompany accounts when initially consigned.

h. Electricity, water, and natural gas – Report ONLY the product value (electricity, water, and natural gas). DO NOT report the service value (transmission and distribution).

i. **Packaged general use computer software –** INCLUDE exports and imports of packaged general use computer software at full transaction value, i.e., including both the value of the media on which the software is recorded and the value of the information contained on the media. EXCLUDE receipts or payments for customized software designed to meet the needs of a specific user. This type of software is considered a service and should not be reported as trade in goods. EXCLUDE receipts and payments for software that is transmitted electronically rather than physically shipped. Also, EXCLUDE negotiated licensing fees for software to use on networks.

Q. Insurance companies

a. Reporting should be in accordance with U.S. Generally Accepted Accounting Principles, not Statutory Accounting Practices (SAP). For example, the BE-15 report should include the following assets even though they are not acceptable under SAP:

i. non-trusteed or free account assets, and

ii. non-admitted assets such as furniture and equipment, agents' debit balances, and all receivables deemed to be collectible.

b. Sales or gross operating revenues, excluding sales taxes – Include items such as earned premiums, annuity considerations, gross interest and dividend income, and items of a similar nature. Exclude income from unconsolidated affiliates that is to be reported in Income from equity investments in unconsolidated U.S. and foreign business enterprises, and certain gains (losses).

c. Cost of goods sold, or services rendered, and selling, general, and administrative expenses – Include costs relating to sales or gross operating revenues, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.

d. Investment income – Report that portion of sales or gross operating revenues, that is investment income (e.g., interest and dividends). However, report gains (losses) on investments in accordance with the instructions for Certain gains (losses) on form.

e. Sales of services – Include premium income and income from actuarial, claims adjustment, and other services, if any.

i. Premiums earned by companies engaged in insurance activities. NOTE: Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year.

f. Total assets – Include current items such as agents' balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (net of allowances for doubtful items) arising from the ordinary course of business.

g. Total liabilities – Include current items such as loss liabilities, policy claims, commissions due, other current liabilities arising from the ordinary course of business, and long-term debt.

h. Total owners' equity – Include mandatory securities valuation reserves that are appropriations of retained earnings.

R. Railroad transportation companies

a. Railroad transportation companies should include only the net annual balances for interline settlement items (car hire, car repair, freight revenues, switching revenues, and loss and damage settlements) in Other Assets.

S. Real Estate

a. 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. A BE-15 report is required unless the enterprise is otherwise exempt.

b. Residential real estate held exclusively for personal use and not for profit making purposes is not subject to the reporting requirements. A residence that 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 and therefore not subject to the reporting requirements. 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.

c. Aggregation of real estate investments – 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 instruction for aggregation on page 4).

i. File a single BE-15 report covering the aggregated holdings. If on an aggregated basis any one of the following three items – total assets (do not net out liabilities), or sales or gross operating revenues, excluding sales taxes, or net income after provision for U.S. income taxes – exceeds $300 million (positive or negative), file Form BE-15A. If permission has been received in writing from BEA to file on a non-aggregated basis, you must report each real estate investment on Form BE-15A if a Form BE-15A would have been required on an aggregated basis. Non-aggregated reports should be filed as a group, and you should inform BEA that they are all for one owner.

ii. On page 1 of the BE-15 survey form, for the name and address of the U.S. business enterprise, BEA is not seeking a legal description of the property, nor necessarily the address of the property itself. Because there may be no operating business enterprise for a real estate investment, what BEA seeks is a consistently identifiable name for the investment (i.e., the 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 for each reporting period and for the various BEA surveys.

1. Thus, on page 1 of the BE-15 survey forms 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

2. If the investment property has a name, such as Sunrise Apartments, the name and address on page 1 of the BE-15 survey forms might be:

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

3. There are items throughout Form BE-15 that may not apply to certain types of real estate investments, such as the employer identification number, the number of employees, and exports and imports. In such cases, enter zero or leave items blank as appropriate.

T. Joint ventures and partnerships

a. 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:

i. If the foreign interest in the U.S. affiliate is directly held by the foreign person, and the ownership interest is more than 50 percent, then a BE-15 report must be filed by the affiliate (subject to the aggregation rules discussed above).

ii. If a voting interest of more than 50 percent in the U.S. affiliate is owned by another U.S. affiliate, the owned affiliate must be fully consolidated in the BE-15 report of the owning affiliate.

iii. If a voting interest of 50 percent or less in the U.S. affiliate is owned by another U.S. affiliate, and no U.S. affiliate owns a voting interest of more than 50 percent, then a separate BE-15 report must be filed by the owned affiliate if there is also direct foreign ownership that, when combined, exceeds 50 percent. The BE-15 report(s) of the owning affiliate(s) must show an equity investment in the owned affiliate.

U. Farms

a. For farms that are not operated by their foreign owners, the income statements and related items should be prepared based on the extent to which the income from the farm accrues to, and the expenses of the farm are borne by, the owner. Generally, this means that income, expenses, and gain (loss) assignable to the owner should reflect the extent to which the risk of the operation falls on the owner.

i. For example, even though the operator and other workers on the farm are hired by a management firm, if their wages and salaries are assigned to, and borne by, the farm operation being reported, then the operator and other workers should be reported as employees of that farm operation and the wages and salaries should be included as an expense in the income statement.

b. EXAMPLES:

i. If the farm is leased to an operator for a fixed fee, the owner should report the fixed fee in "total sales" and should report the non-operating expenses that he or she may be responsible for, such as real estate taxes, interest on loans, etc., as expenses in the income statement.

ii. If the farm is operated by a management firm that oversees the operation of the farm and hires an operator, but the operating income and expenses are assigned to the owner, the income and expenses so assigned should be shown in the requested detail in the income statement, and related items, as appropriate. (The report should not show just one item, i.e., the net of income less than the management fee, where the management fee includes all expenses.)

V. 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.

b. Trust is a person, but it is not a business enterprise. The trust is considered to be the same as an intermediary and should report as outlined in the instructions for intermediaries below.

i. 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 investment, except in two cases:

1. if there is, or maybe, a reversionary interest, or

2. if a corporation or other organization creates a trust designating its shareholders or members as beneficiaries. In these two cases, the creator(s) of the trust is (are) deemed to be the owner(s) 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 (These instructions are not applicable to REITs.)

ii. This procedure is adopted in order 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).

c. For an intermediary:

i. 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. Alternatively, the U.S. intermediary can 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 provides BEA 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 UBO are considered as accounts or transactions of the U.S. affiliate with the UBO. To the extent such transactions or accounts are unavailable to the U.S. affiliate, BEA may require the intermediary to report them.

ii. If a UBO holds a U.S. affiliate through a foreign intermediary, the U.S. affiliate may report the intermediary as its foreign parent but, when requested, must also identify and furnish information concerning the UBO. 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 UBO.