

**2016 ANNUAL SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES
BE-15B INSTRUCTIONS**

NOTE: Instructions in section IV are cross-referenced by number to the items located on pages 2 to 13.

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, 2017**.

Penalties – Whoever fails to report shall be subject to a civil penalty of not less than \$4,454, and not more than \$44,539, and to injunctive relief commanding such person to comply, or both. These civil penalties are subject to inflationary adjustments. Those adjustments are found in 15 CFR 6.4. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment or both (22 U.S.C. 3105).

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 if it does not meet 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 2.

Response Burden – Public reporting burden for this BE-15B is estimated to vary from 175 minutes to 9 hours per response, with an average of 3.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. 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 0608-0042, 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 it to be individually 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 security monitoring of the BEA information systems.

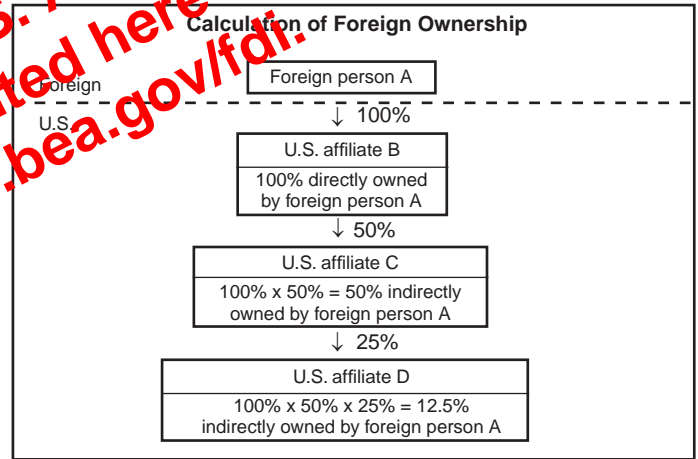
I. REPORTING REQUIREMENTS

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 a foreign person or entity 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 fiscal year that ended in calendar year 2016.

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 below, 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.

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.

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 Intangible Assets with Foreign Persons. Copies of Form BE-125 are available on BEA’s Web site at: www.bea.gov/surveys/iussurv.htm

