

# Reporting Real Estate Investments on the 2019 BE-10 Survey



# Topics Covered

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- Brief overview of the BE-10 Benchmark Survey
- Instructions on filing the 2019 BE-10A and BE-10D survey forms for “smaller” real estate investments

# What is the BE-10?

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- U.S. Direct Investment Abroad (USDIA)
  - U.S. ownership of a foreign business enterprise
    - The U.S. owner is referred to as the “U.S. parent”
    - The foreign business enterprise is referred to as the “foreign affiliate”
- Surveys of USDIA collect economic data on of U.S. parents and their foreign affiliates
  - A BE-10 Benchmark survey is required from any U.S. person that meets the reporting requirements, whether or not contacted by BEA

- U.S.-owned foreign real estate is considered a foreign affiliate. This includes:
  - Single unit rental properties which the owners use for part of the year and rent out the rest of the time
  - A multi-unit residential/commercial property which leases out apartments and/or retail space
  - Equity REITs that are primarily engaged in leasing buildings or other real estate properties to others

This excludes:

- Foreign residential real estate held by a corporation for the personal use of the corporation owner(s)
- Foreign residential real estate that is an owner's **primary** residence that is leased while the owner is out of the foreign country

“Real Estate” includes businesses engaged in:

- Renting or leasing real estate to others
- Managing real estate for others
- Selling, buying, or renting real estate for others
- Providing real estate related services

- A BE-10 report is required for foreign affiliates owned or controlled 10 percent or more by a U.S. person
  - One BE-10A form for the U.S. parent
  - One or more BE-10B, BE-10C, or BE-10D forms, depending on the size of the foreign affiliate(s)
  
- A BE-10D form is required if the foreign affiliate's assets, sales, and net income (loss) are all **\$25 million** or less
  
- This tutorial is intended for U.S. individuals filing foreign real estate investments with assets, sales, and net income (loss) **all below \$25 million**

# Before we get started

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- Aggregate foreign real estate investments **in the same country** held by a U.S. person to determine which form to file
  - The aggregate holdings are considered one "foreign affiliate"
- Do not aggregate foreign real estate investments in different countries
  - The investments in each country are considered separate foreign affiliates
- Certain form items might not be applicable, such as number of employees or intercompany debt
  - Enter zero or leave blank as appropriate

# Completing a 2019 BE-10A and BE-10D Form

# Filing a BE-10A and BE-10D Form

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- Forms can be filed electronically at [www.bea.gov/efile](http://www.bea.gov/efile)
  - Most convenient, provides submission confirmation, and lets you access previous filings with BEA
- Forms can also be mailed or faxed to BEA. Forms are available at [www.bea.gov/be10](http://www.bea.gov/be10)
- **Previous filers** – previous BE-10/11 filers and those notified to file by BEA have an assigned BE-10/11 ID, this ID is available in the letter you received from BEA
- **First time filers** – may not have a BE-10 ID assigned, but you do not need a BEA ID to file electronically!

# BE-10A Form

FORM BE-10A (REV. 01/2020) OMB No. 0608-0049: Approval Expires 11/30/2022

**2019 BENCHMARK SURVEY OF U.S. DIRECT INVESTMENT ABROAD**  
**MANDATORY — CONFIDENTIAL**  
**FORM BE-10A (Report for U.S. Reporter)**

**Electronic Filing:** Go to [www.bea.gov/efile](http://www.bea.gov/efile) for details

**Mail reports to:** Bureau of Economic Analysis  
Direct Investment Division, BE-69(A)  
4600 Silver Hill Road  
Washington, DC 20233

**Deliver reports to:** Bureau of Economic Analysis  
Direct Investment Division, BE-69(A)  
4600 Silver Hill Road  
Suitland, MD 20746

**Fax reports to:** (301) 278-9502

**Assistance:** E-mail: [be1011@bea.gov](mailto:be1011@bea.gov)  
Telephone: (301) 278-9418  
Copies of form: [www.bea.gov/dia](http://www.bea.gov/dia)

Please include your BEA Identification Number with all requests.

**IMPORTANT**

**Instruction Booklet** — Contains additional instructions, definitions, and detailed reporting requirements for completing this form.

**Who must report** — Form BE-10A must be filed by each U.S. person that has a foreign affiliate reportable in fiscal year 2019. Data on Form BE-10A pertain to the fully consolidated U.S. domestic business enterprise for the U.S. Reporter's 2019 fiscal year.

**DO NOT FULLY CONSOLIDATE OPERATIONS OF FOREIGN AFFILIATES ON FORM BE-10A.** Report data pertaining to the operations of foreign affiliates on Forms BE-10B, BE-10C, or BE-10D.

**Due Date** — A complete BE-10 report is due on the following dates:  
**May 20, 2020** for a U.S. Reporter required to file fewer than 50 Forms BE-10B, BE-10C, and/or BE-10D  
**June 30, 2020** for a U.S. Reporter required to file 50 or more Forms BE-10B, BE-10C, and/or BE-10D

**Monetary Values** — Report in U.S. dollars rounded to thousands (omitting 000).  
EXAMPLE — If amount is \$1,334,891.00, report as .....

	\$	Bil.	Mil.	Thous.	Dols.
	1		335	000	

If an item is between + or - \$500.00, enter "0." Use parenthesis ( ) to indicate negative numbers.

**MANDATORY CONFIDENTIALITY PENALTIES** This survey is being conducted under the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended). The filing of reports is mandatory and the Act provides that your report to this Bureau is confidential. Whoever fails to report may be subject to penalties. See page 16 for additional details.

**CONTACT INFORMATION**  
Provide information of person to consult about this report:

Name		Telephone Number		Extension
Street 1				
Street 2		Fax Number		
City	State	Zip	E-mail Address	

**CERTIFICATION**  
The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with instructions Part IV.E of the Instruction Booklet, estimates may have been provided.

Signature of Authorized Official	Date	Telephone Number	Extension
Name	Title	Fax Number	

- Enter your BE-10 ID number (if you have one, also refer to slide 9)
- DO NOT enter Social Security Number on any forms

- Provide a consistently identifiable name for the U.S. person or business enterprise (i.e. the U.S. Reporter)
- An address where BEA can mail survey materials

- Provide contact information for the person who can answer questions about this report

- Provide information for the person certifying the report
- Can be same as the person listed in contact information or someone else

# BE-10A Form

- If the U.S. person is an individual or an associated group of individuals, then they are only required to complete items 1, 2, and 7 on the BE-10A.

**1 Name and address of U.S. Reporter**

0600 Name of U.S. Reporter  
1

0600 c/o (care of)  
2

0600 Street or P.O. Box  
3

0600 City  
4      0000 State  
5      0000 Zip  
6

- Provide a consistently identifiable name for the owner (i.e. the U.S. Reporter)
- An address where BEA can mail survey materials

**2 What is the form of organization of the U.S. Reporter? — Mark (X) one.**

1002

1  Corporation (except S Corporations)

2  Partnership

3  Limited Liability Company (LLC)

4  S Corporation

5  Individual, estate, or trust

6  Other — Specify 0

- Item 2 – mark Individual, estate or trust

**7 How many foreign affiliate reports (Forms BE-10B, BE-10C, and BE-10D) are you required to file?**

1005

1

- Item 7 – enter the number of foreign affiliate forms required to be filed

- The BE-10D Form collects data for “small” foreign affiliates

<b>Provide the following information for each foreign affiliate with assets, sales or gross operating revenues, AND net income (loss) less than or equal to \$25 million.</b>							
<i>Report affiliates with assets, sales or gross operating revenues, or net income (loss) greater than \$25 million on Form BE-10B or BE-10C, as appropriate.</i>							
				Amount (Thousands of U.S. dollars)			
				\$	Mil.	Thous.	Dols.
0					7		
Name of foreign affiliate					Total assets . . . . .	000	
	2 – BEA USE ONLY				8		
Country of location . . . .					Total liabilities . . . . .	000	
	1				9		
City of location . . . . .					Sales or gross operating revenues . . .	000	
	3				10		
Primary industry code . . . . .					Net income (loss) after foreign income tax	000	
	4				<b>Debt and other intercompany balances:</b>		
Number of employees . . . . .					Owed to U.S. Reporter by foreign affiliate . . . .	000	
	5	6		11			
U.S. Reporter's percentage of ownership . . . . .	<u>Direct</u>	<u>Indirect</u>		Owed to foreign affiliate by U.S. Reporter . . . .	000		
					12		

# Name of Foreign Affiliate and Location

Name of foreign affiliate	0
Country of location . . . .	2 - BEA USE ONLY
City of location . . . . .	1

- Provide the name of the foreign affiliate, country of location and city of location
- The address of the real estate can be used as the name of the foreign affiliate
- Do not consolidate real estate that is located in different countries, report them separately on the BE-10D Form

# Primary Industry Code

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Primary industry code .....	3
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- From the drop down menu select “5310 – Real Estate”

# Number of Employees

Number of employees. ....	4
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- Provide the number of full and part-time employees **on the payroll** of the real estate affiliate
- DO NOT include workers such as home cleaning services that are contracted from third parties
- Report “0” if you have no employees on the payroll of the real estate affiliate. This will likely be the case for most smaller rental property holders

# U.S. Reporter's Percentage of Ownership

U.S. Reporter's percentage of ownership .....	5	<u>Direct</u>	6	<u>Indirect</u>
	_____ . ____ %		_____ . ____ %	

- Report the U.S. Reporter's percentage of direct and indirect ownership of the foreign affiliate
  - Real estate can be wholly owned by a single U.S. person or an associated group of individuals. In most cases the Direct percentage will be 100%
  - If the U.S. person owns the real estate through another foreign affiliate, such as a holding company, report the ownership in the box for Indirect. In such a case, a report is also required for the holding company

# Total Assets and Liabilities

	\$	Mil.	Thous.	Dols.
Total assets . . . . .	7			000
Total liabilities . . . . .	8			000

## Total assets:

- Use the fair market value of the property to report your asset value
- If fair market value is not known, use historical cost or the purchase price of the property

## Total liabilities:

- Provide the value of any liabilities, such as an outstanding mortgage, associated with the property

# Sales and Net Income (loss)

Sales or gross operating revenues . . .	9	000
Net income (loss) after foreign income tax	10	000

## Sales or gross operating revenues:

- Provide the gross rental income of the property
  - Do not deduct any expenses, report the sum collected from rental payments by tenants

## Net income (loss):

- For a rental property this would normally represent rental revenue (sales), minus property related expenses, i.e. homeowner association (HOA) fees, property taxes, etc.

# Debt and Other Intercompany Balances

Debt and other intercompany balances:		
Owed to U.S. Reporter by foreign affiliate. . . . .	11	000
Owed to foreign affiliate by U.S. Reporter . . . . .	12	000

- These items collect the amount of debt between the U.S. owner and the foreign affiliate
- This item will not be applicable to most rental property holders. If so, enter “0”
- Do not report an outstanding mortgage balance as an intercompany payable

- Additional resources including survey forms, contact information, and guidance materials such as frequently asked questions (FAQs) are available at [www.bea.gov/be10](http://www.bea.gov/be10)
- File forms electronically at [www.bea.gov/efile](http://www.bea.gov/efile)

Please note that while BEA's surveys are mandatory and businesses are required by law to respond, the contents of these guidance documents do not have the force and effect of law and are not meant to bind the public in any way. These documents are intended only to provide clarity to the public regarding existing requirements under the law or Department policies.