

Part III — U.S. Exports To and U.S. Imports From Minority-Owned Foreign Affiliate

See *Instruction Booklet, Part V.*

IMPORTANT NOTES

Report U.S. exports of goods to and U.S. imports of goods from the foreign affiliate in FY 2017. Report all goods that physically left or entered the U.S. customs area. Report data on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do **not** record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

Foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference, the "shipped" basis must be used or adjustments made to the data on a "charged" basis to approximate a "shipped" basis. The data should **INCLUDE** goods only; they should **EXCLUDE** services.

Capital goods — INCLUDE capital goods but **EXCLUDE** the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or goods.

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.

In-transit goods — EXCLUDE from exports and imports the value of goods that are in-transit. In-transit goods are goods that are not processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter that country(ies) only because that country(ies) is along the shipping lines between the exporting and importing countries. In-transit imports are goods en route from one foreign country (other than the United States) (such as from Canada to Mexico) via the United States, and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

Packaged general-use computer software — INCLUDE exports and imports of packaged general-use computer software. Value such exports and imports at the full transaction value, i.e., the market value of the media on which the software is recorded and the value of the information contained on the media. **EXCLUDE** exports and imports of customized software designed to meet the needs of a specific user. This type of software is considered a service and should not be included as trade in goods. Also **EXCLUDE** negotiated leasing fees for software that is to be used on networks.

Natural gas, electricity, and water — Report **ONLY** the product value of natural gas, electricity, and water that you produce or sell at wholesale as exports and imports of goods. **DO NOT** report the service value (transmission and distribution).

U.S. EXPORTS OF GOODS TO THIS FOREIGN AFFILIATE (Valued f.a.s. U.S. port)

\$ Bil. Mil. Thous. Dols.

19 What is the value of the total goods shipped in FY 2017 from the United States (by the U.S. Reporter(s) of this affiliate and by other U.S. persons) to this affiliate? 4173 1 000

U.S. IMPORTS OF GOODS FROM THIS FOREIGN AFFILIATE (Valued f.a.s. foreign port)

\$ Bil. Mil. Thous. Dols.

20 What is the value of the total goods shipped in FY 2017 to the United States (to the U.S. Reporter(s) of this affiliate and to other U.S. persons) by this affiliate? 4178 1 000

SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL INSTRUMENTS, FINANCE COMPANIES, INSURANCE COMPANIES, AND REAL ESTATE COMPANIES

A. Certain gains (losses) for (1) dealers in financial instruments and finance and insurance companies, and (2) real estate companies.

1. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies — INCLUDE in the calculation of net income in **16** :

- impairment losses as defined by FASB ASC 320 (FAS 115),
- realized gains and losses on trading or dealing,
- unrealized gains or losses, due to changes in the valuation of financial instruments, that flow through the income statement, and
- goodwill impairment as defined by FASB ASC 350 (FAS 142).

EXCLUDE from **15** and **16**, unrealized gains or losses due to changes in the valuation of financial instruments that are taken to other comprehensive income.

INCLUDE income from explicit fees and commissions as operating revenue in **15**.

2. Real estate companies — INCLUDE in **16** :

- impairment losses as defined by FASB ASC 360 (FAS 144), and
- goodwill impairment as defined by FASB ASC 350 (FAS 142).

INCLUDE income earned from the sale of real estate you own as operating revenue in **15**.

B. Special instructions for insurance companies

1. When there is a difference between the financial and operating data reported to the stockholders and the data reported in the annual statement to an insurance department, prepare the BE-11 on the same basis as the annual report to the stockholders. Valuation should be according to normal commercial accounting procedures, not at rates promulgated by national insurance departments, e.g., **INCLUDE** assets not acceptable for inclusion in the annual statement to an insurance department, such as: 1. non-trusted or free account assets, and 2. nonadmitted assets, including furniture and equipment, agents' debit balances, and all receivables deemed to be collectible. **INCLUDE** mandatory securities valuation reserves that are appropriations of retained earnings in the owners' equity section of the balance sheet, not in the liability section.

2. EXCLUDE assets of the U.S. Reporter held in the country of location of the affiliate that are for the benefit of the U.S. Reporter's policyholders in the data reported for the affiliate.

3. Instructions for reporting specific items

Sales or gross operating revenues, excluding sales taxes — INCLUDE in **15** items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature.

Calculate premiums earned by companies engaged in insurance activities 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.

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