

NO COPY REQUIRED

FORM BE-577(S)
(11-77)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

CONFIDENTIAL ANNUAL REPORT

TRANSACTIONS OF PRIMARY FOREIGN ORGANIZATIONS WITH SECONDARY FOREIGN ORGANIZATIONS

OFFICE USE ONLY	
a. Name of U.S. reporter	b. Report for year ending
c. Name and country of primary foreign organization	
OFFICE USE ONLY	
ID No.	
Country	
Industry	
d. Name and country of secondary foreign organization	
ID No.	
Country	
Industry	

RETURN TO Bureau of Economic Analysis, BE-50(II)
1401 K Street, NW. (Tower Bldg.)
U.S. Department of Commerce
Washington, D.C. 20230

IMPORTANT Read instructions on reverse before completing this form.

e. Indicate type of business and principal product or service

If a newly-acquired foreign enterprise →

Items received or entered into intercompany accounts	Amounts after withholding taxes (Report in currency used)	OFFICE USE ONLY
1. Dividends a. On common stock		1.1
b. On preferred stock		1.2
2. Interest on bonds, notes, advances, etc.		2
3. Royalties, license fees and other charges for the sale or use of intangible property and rentals for the use of tangible property		3
4. Primary company's charges for services rendered including management, allocated expenses, etc.		4
5. Primary company's equity in secondary company's net income (or loss) (See instructions)	For year ending	
	Year (last 2 digits)	Month Day
		5

6. Intercompany accounts, bonds, notes, and advances outstanding (Show this item in the currency in which it is payable)			
	Currency unit (See instructions)	Due to primary company	Payable by primary company
a. Beginning of year			
b. End of year			

7. Changes in primary company's holdings of capital stock of, and/or capital contributions to, foreign secondary organizations					
a. Type of change (Mark (X) one)	b. Type of security	c. Means of settlement	d. Percent of issue owned		e. Amount of transaction
			(1) Before transaction	(2) After transaction	
1 <input type="checkbox"/> Increase					7e
2 <input type="checkbox"/> Decrease			%	%	
f. Other parties to transaction (Mark (X) one)			If U.S. resident, give name and address		
1 <input type="checkbox"/> Foreign affiliate	3 <input type="checkbox"/> U.S. residents				
2 <input type="checkbox"/> Other foreign owners					

This historical survey form is no longer valid and is for information purposes only. Current survey forms are at www.dca.gov/help/information-for-survey-respondents.

PRINTED BY THE STANDARD REGISTER COMPANY U.S.A.

GENERAL INSTRUCTIONS

Purpose - Reports on this form are required in order to provide reliable and up-to-date information on the foreign investment operations of U.S. business affecting the U.S. balance of international payments. Related information is collected on Forms BE-578 (foreign unincorporated branches), BE-35 (foreign subsidiaries and branches of U.S. motion picture companies), BE-578(B) (foreign unincorporated branches of U.S. banking firms), BE-578(I) (foreign subsidiaries and branches of U.S. insurance companies), BE-577(A) (foreign associated companies), and BE-577 (primary foreign corporations). (See definitions below.)

The following is a condensation of the applicable set of instructions and regulations; a complete set will be sent on request.

Authority - Reports on Forms BE-577, BE-578, BE-35, BE-578(B), BE-578(I), BE-577(A), and BE-577(S) are mandatory under Section 8(b) of the Bretton Woods Agreements Act (59 Stat. 515, 22 U.S.C. 286f). The report has been approved by the Office of Management and Budget under the Federal Reports Act (Public Law No. 831, 77th Congress). All replies will be held in confidence under the provisions of Section 4(b) of that Act and Section 8(c) of the Bretton Woods Agreements Act.

Who Must Report - Separate reports on Form BE-577(S) are required from U.S. corporations and other U.S. residents for each secondary foreign subsidiary or affiliated corporation in which they own 25 percent or more of the voting stock through a primary foreign organization either directly or together with affiliated foreign or domestic owners. In the case of joint ownership, one owner may file a combined report. However a reportable interest is deemed to exist only if the U.S. parent owns 50% or more of the voting stock of the primary foreign corporation and it in turn owns at least 50% of the voting stock of the secondary foreign organization.

Filing of Reports - Form BE-577(S) is an annual report. A single copy of each report should be sent to the Bureau of Economic Analysis, BE-50(II), 1401 K Street, NW (Tower Building), U.S. Department of Commerce, Washington, D.C. 20230, within 90 days after the close of each calendar or fiscal year.

Requests for extension of the filing date, additional forms or clarifications of the reporting requirements or instructions should be directed to the same address.

Exemption - A U.S. resident otherwise required to report is exempted from filing a report if the aggregate value of his investment, and that of his domestic subsidiaries or affiliates, in foreign branches, subsidiaries, affiliated or associated corporations, including applicable proportion of surplus accounts and debt, is less than \$2,000,000 based on the books of the foreign enterprises. Reports for foreign subsidiaries or affiliates which are inactive, or have a book value, including surplus accounts and intercompany indebtedness, of less than \$25,000 may be omitted with a note to that effect.

Consolidations - Consolidated reports may be filed covering more than one subsidiary or affiliate in the same country and industry (foreign branch operations should be reported on Form BE-578, investments in associated foreign companies on Form BE-577(A), and reports for primary foreign corporations on Form BE-577).

DEFINITIONS

U.S. Resident - Any person (including corporations, trusts, estates) under the jurisdiction of the United States ordinarily residing in the United States, including its territories or possessions.

Foreign Subsidiary or Affiliated Company - For purposes of these reports, any foreign-incorporated company in which a U.S. owner, or affiliated group of owners, holds 25 percent or more of the voting stock, directly or indirectly.

Associated Foreign Company - A foreign incorporated company in which a U.S. owner, or affiliated group of owners, directly holds at least 10 percent but less than 25 percent of the voting stock.

Primary Foreign Corporation - A foreign subsidiary or affiliated company in which 25 percent or more of the voting stock is owned by United States residents, either directly or together with domestic or foreign affiliates (see Form BE-577).

Secondary Foreign Corporation - A foreign subsidiary or affiliated company in which a U.S. ownership of 25 percent or more of the voting stock is held through a primary foreign corporation (see "who must report" above).

Foreign Branch - An unincorporated foreign business operation conducted by a U.S. resident or group of persons (corporate or otherwise) in a foreign country (see Form BE-578).

SPECIFIC INSTRUCTIONS

Items 1-4 - Enter only amounts actually received by the primary foreign corporation or entered into the intercompany accounts during the reporting period. Stock dividends should be reported in item 7 (see below).

Item 3 - Report all royalties, fees and other charges for the sale or use of intangible property and rentals for the use of tangible property received or entered into intercompany accounts during the period.

Item 4 - Report all receipts or charges for professional, administrative or management services.

Item 5 - The amount entered for this item should be shown in the currency in which the books of the foreign company are kept, and should represent the parent's portion of the foreign company's net income (or loss) for the year, before common dividends but after provision for foreign income taxes and the payment of preferred dividends. Companies whose foreign enterprises are engaged in extractive industries should report net income before depletion charges, except charges representing the amortization of the actual cost of capital assets.

Item 6 - If the currency unit used in accounts reported in item 6 is other than U.S. dollars, please specify. Report in this item all accounts between the foreign parent or its foreign affiliates and the foreign secondary organization including accounts which may be blocked or are not regularly carried on the parent's books. Entries made in item 6 should be consistent with entries made in items 1-4 insofar as they reflect these items.

Item 7 - Enter here any changes in the foreign parent's and/or its foreign affiliates' holdings of capital stock of the secondary foreign company including preferred stock, and common or ordinary stock. Stock dividends, exchange of stock for intangible property, capital contributions by the parent company and capitalization of intercompany accounts should also be included but should be identified separately. If a company is liquidated or sold wholly or partially to foreign interests, show in block 7e the amount obtained in liquidation, or sales price.

FORM BE-577(S)
(11-77)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

CONFIDENTIAL ANNUAL REPORT

TRANSACTIONS OF PRIMARY FOREIGN ORGANIZATIONS WITH SECONDARY FOREIGN ORGANIZATIONS

RETURN TO
Bureau of Economic Analysis, BE-50(II)
1401 K Street, NW. (Tower Bldg.)
U.S. Department of Commerce
Washington, D.C. 20230

OFFICE USE ONLY

a. Name of U.S. reporter	b. Report for year ending
c. Name and country of primary foreign organization	
OFFICE USE ONLY	
ID No.	
Country	
Industry	
d. Name and country of secondary foreign organization	
ID No.	
Country	
Industry	

IMPORTANT Read instructions on reverse before completing this form.

If a newly-acquired foreign enterprise →

e. Indicate type of business and principal product or service

Items received or entered into intercompany accounts	Amounts after withholding taxes (Report in currency used)	OFFICE USE ONLY
1. Dividends a. On common stock		1.1
b. On preferred stock		1.2
2. Interest on bonds, notes, advances, etc.		2
3. Royalties, license fees and other charges for the sale or use of intangible property and rentals for the use of tangible property		3
4. Primary company's charges for services rendered including management, allocated expenses, etc.		4
5. Primary company's equity in secondary company's net income (or loss) (See instructions)	For year ending	5
	Year (last 2 digits) Month Day	

6. Intercompany accounts, bonds, notes, and advances outstanding (Show this item in the currency in which it is payable)			
	Currency unit (See instructions)	Due to primary company	Payable by primary company
a. Beginning of year			
b. End of year			

7. Changes in primary company's holdings of capital stock of, and/or capital contributions to, foreign secondary organizations

a. Type of change (Mark (X) one) 1 <input type="checkbox"/> Increase 2 <input type="checkbox"/> Decrease	b. Type of security	c. Means of settlement	d. Percent of issue owned		e. Amount of transaction	7e
			(1) Before transaction %	(2) After transaction %		

f. Other parties to transaction (Mark (X) one)

1 Foreign affiliate 3 U.S. residents

2 Other foreign owners

If U.S. resident, give name and address

GENERAL INSTRUCTIONS

Purpose - Reports on this form are required in order to provide reliable and up-to-date information on the foreign investment operations of U.S. business affecting the U.S. balance of international payments. Related information is collected on Forms BE-578 (foreign unincorporated branches), BE-35 (foreign subsidiaries and branches of U.S. motion picture companies), BE-578(B) (foreign unincorporated branches of U.S. banking firms), BE-578(I) (foreign subsidiaries and branches of U.S. insurance companies), BE-577(A) (foreign associated companies), and BE-577 (primary foreign corporations). (See definitions below.)

The following is a condensation of the applicable set of instructions and regulations; a complete set will be sent on request.

Authority - Reports on Forms BE-577, BE-578, BE-35, BE-578(B), BE-578(I), BE-577(A), and BE-577(S) are mandatory under Section 8(b) of the Bretton Woods Agreements Act (59 Stat. 515, 22 U.S.C. 286f). The report has been approved by the Office of Management and Budget under the Federal Reports Act (Public Law No. 831, 77th Congress). All replies will be held in confidence under the provisions of Section 4(b) of that Act and Section 8(c) of the Bretton Woods Agreements Act.

Who Must Report - Separate reports on Form BE-577(S) are required from U.S. corporations and other U.S. residents for each secondary foreign subsidiary or affiliated corporation in which they own 25 percent or more of the voting stock through a primary foreign organization either directly or together with affiliated foreign or domestic owners. In the case of joint ownership, one owner may file a combined report. However a reportable interest is deemed to exist only if the U.S. parent owns 50% or more of the voting stock of the primary foreign corporation and it in turn owns at least 50% of the voting stock of the secondary foreign organization.

Filing of Reports - Form BE-577(S) is an annual report. A single copy of each report should be sent to the Bureau of Economic Analysis, BE-50(II), 1401 K Street, NW (Tower Building), U.S. Department of Commerce, Washington, D.C. 20230, within 90 days after the close of each calendar or fiscal year.

Requests for extension of the filing date, additional forms or clarifications of the reporting requirements or instructions should be directed to the same address.

Exemption - A U.S. resident otherwise required to report is exempted from filing a report if the aggregate value of his investment, and that of his domestic subsidiaries or affiliates, in foreign branches, subsidiaries, affiliated or associated corporations, including applicable proportion of surplus accounts and debt, is less than \$2,000,000 based on the books of the foreign enterprises. Reports for foreign subsidiaries or affiliates which are inactive, or have a book value, including surplus accounts and intercompany indebtedness, of less than \$25,000 may be omitted with a note to that effect.

Consolidations - Consolidated reports may be filed covering more than one subsidiary or affiliate in the same country and industry (foreign branch operations should be reported on Form BE-578, investments in associated foreign companies on Form BE-577(A), and reports for primary foreign corporations on Form BE-577).

DEFINITIONS

U.S. Resident - Any person (including corporations, trusts, estates) under the jurisdiction of the United States ordinarily residing in the United States, including its territories or possessions.

Foreign Subsidiary or Affiliated Company - For purposes of these reports, any foreign-incorporated company in which a U.S. owner, or affiliated group of owners, holds 25 percent or more of the voting stock, directly or indirectly.

Associated Foreign Company - A foreign incorporated company in which a U.S. owner, or affiliated group of owners, directly holds at least 10 percent but less than 25 percent of the voting stock.

Primary Foreign Corporation - A foreign subsidiary or affiliated company in which 25 percent or more of the voting stock is owned by United States residents, either directly or together with domestic or foreign affiliates (see Form BE-577).

Secondary Foreign Corporation - A foreign subsidiary or affiliated company in which a U.S. ownership of 25 percent or more of the voting stock is held through a primary foreign corporation (see "who must report" above).

Foreign Branch - An unincorporated foreign business operation conducted by a U.S. resident or group of persons (corporate or otherwise) in a foreign country (see Form BE-578).

SPECIFIC INSTRUCTIONS

Items 1-4 - Enter only amounts actually received by the primary foreign corporation or entered into the intercompany accounts during the reporting period. Stock dividends should be reported in item 7 (see below).

Item 3 - Report all royalties, fees and other charges for the sale or use of intangible property and rentals for the use of tangible property received or entered into intercompany accounts during the period.

Item 4 - Report all receipts or charges for professional, administrative or management services.

Item 5 - The amount entered for this item should be shown in the currency in which the books of the foreign company are kept, and should represent the parent's portion of the foreign company's net income (or loss) for the year, before common dividends but after provision for foreign income taxes and the payment of preferred dividends. Companies whose foreign enterprises are engaged in extractive industries should report net income before depletion charges, except charges representing the amortization of the actual cost of capital assets.

Item 6 - If the currency unit used in accounts reported in item 6 is other than U.S. dollars, please specify. Report in this item all accounts between the foreign parent or its foreign affiliates and the foreign secondary organization including accounts which may be blocked or are not regularly carried on the parent's books. Entries made in item 6 should be consistent with entries made in items 1-4 insofar as they reflect these items.

Item 7 - Enter here any changes in the foreign parent's and/or its foreign affiliates' holdings of capital stock of the secondary foreign company including preferred stock, and common or ordinary stock. Stock dividends, exchange of stock for intangible property, capital contributions by the parent company and capitalization of intercompany accounts should also be included but should be identified separately. If a company is liquidated or sold wholly or partially to foreign interests, show in block 7e the amount obtained in liquidation, or sales price.

FORM BE-577
(1-1-78)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

1. Report for quarter ending
 MONTH DAY YEAR

If revised, Mark here →

BEA
USE
ONLY

**DIRECT TRANSACTIONS OF U.S. REPORTER WITH
FOREIGN AFFILIATE INCORPORATED ABROAD**

**MANDATORY
CONFIDENTIAL QUARTERLY REPORT**

This report is required by law — Section 5(b)(2), P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104. Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. 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.

2. Name of U.S. Reporter Reporter ID

3. OFFICE USE ONLY

4. Name of foreign affiliate Affiliate ID

5. Country of location (Country in which affiliate's physical assets reside or where principal activity is carried out) Ind ID

6. If affiliate's industry classification has changed Mark here and Complete Form BE-507

7. If affiliate's reporting status changed during period, Mark one:
 Initial report — affiliate was not previously reported
 Resumed report — affiliate was previously reported but not in recent years
 Final report — affiliate was:
 Sold or seized
 Liquidated
 Discontinued report — affiliate fell below exemption level
 Enter date → Month Year

8. If the U.S. Reporter does not hold a direct equity interest in the foreign affiliate named in 4, Mark here → to indicate that report covers transactions with an indirectly-owned foreign affiliate and answer only questions 12-21 of the data section.

9. If 8 is marked, enter name and country of foreign affiliate holding the equity interest:

RETURN TO
 U.S. Department of Commerce
 Bureau of Economic Analysis, BE-50 (II)
 Washington, D.C. 20230

IMPORTANT: This report covers items received from, paid to, or entered into intercompany accounts with the foreign affiliate. Read instructions on reverse side before completing this form. REPORT ALL AMOUNTS IN THOUSANDS OF U.S. DOLLARS.

I. RECEIPTS FROM AND PAYMENTS TO FOREIGN AFFILIATE BY U.S. REPORTER OF DIVIDENDS, INTEREST, FEES, ROYALTIES AND RENTALS, ACCORDING TO BOOKS OF U.S. REPORTER. REPORT AMOUNTS IN ITEMS 11-15 NET OF WITHHOLDING TAXES. Dividends on common and preferred stock, excluding stock dividends		Receipts by U.S. Reporter	Payments by U.S. Reporter
10. Foreign tax withheld		101	
11. Net of foreign tax withheld		111	
12. Interest, including interest on capital (financial) leases		121	122
13. Royalties, license fees, and other fees for use or sale of intangible property		131	132
14. Charges for use of tangible property, including film and television tape rentals		141	142
15. Fees for services rendered, including fees for management, professional, or technical services, R & D assessments, and allocated expenses		151	152
II. DEBT AND OTHER INTERCOMPANY ACCOUNT BALANCES BETWEEN FOREIGN AFFILIATE AND U.S. REPORTER, ACCORDING TO BOOKS OF U.S. REPORTER. Current Items		Beginning of quarter	End of quarter
16. Owed to U.S. Reporter by affiliate		161	162
17. Due to affiliate from U.S. Reporter		171	172
Long-term items			
18. Owed to U.S. Reporter by affiliate		181	182
19. Due to affiliate from U.S. Reporter		191	192
Net book value of property, plant, and equipment on lease and not reflected in items 16-19			
20. On lease by U.S. Reporter to affiliate		201	202
21. On lease by affiliate to U.S. Reporter		211	212
III. U.S. REPORTER'S EQUITY IN FOREIGN AFFILIATE'S:		Current quarter	Preceding quarter
22. Quarterly net income (loss) after provision for foreign income taxes (See instructions)		221	222
Net unrealized and realized capital gains (losses)			
23. Included in Item 22		231	232
24. Taken directly to retained earnings or surplus account		241	242
IV. CHANGE IN U.S. REPORTER'S EQUITY IN FOREIGN AFFILIATE'S CAPITAL STOCK AND/OR ADDITIONAL PAID-IN CAPITAL, ACCORDING TO BOOKS OF U.S. REPORTER, AT TRANSACTION VALUE.		Amount paid or received	Means of settlement code (From Part V)
25. Establishment of affiliate		251	252
Acquisition, partial or total, of an equity interest			
26. From this affiliate		261	262
27. From all other foreigners — Specify country of seller if different from country of affiliate:		271	272
28. From U.S. persons — Give name and address:		281	282
29. Capital contributions not resulting in issuance of capital stock. Report any return of such contributions in parentheses ()		291	292
30. Liquidation of affiliate		301	302
Sale, partial or total, of an equity interest			
31. To this affiliate		311	312
32. To other foreigners — Specify country of purchaser if different from country of affiliate:		321	322
33. To U.S. persons — Give name and address:		331	332
34. Stock dividends		341	
35. Other — Specify		351	352
For items 26-35, enter the amounts by which the transaction value			
		For acquisition	For sale or liquidation
36. Exceeds the value carried on the books of the affiliate		361	362
37. Is less than the value carried on the books of the affiliate		371	372
V. MEANS OF SETTLEMENT CODES FOR ITEMS 25-35.		VI. U.S. REPORTER'S SHARE IN ANNUAL INCOME AND EQUITY POSITION	
1. Cash		381	
2. Exchange of affiliate's stock or other equity for U.S. Reporter's stock		MONTH	DAY
3. Capitalization of intercompany accounts			YEAR
4. Exchange of affiliate's stock or other equity for financial assets other than those in codes 1, 2, and 3			
5. Transfer of equipment, inventory or other tangible property		38. For affiliate's calendar (or fiscal) year ending	
6. Transfer of intangible assets, including patents, know-how, rights, etc.		39. U.S. Reporter's percentage ownership of affiliate's voting stock at end of year. Enter to tenth of one percent	
7. Other — Specify		40. U.S. Reporter's equity in affiliate's annual net income (loss) after provision for foreign income taxes (See instructions)	
		41. U.S. Reporter's share of the affiliate's exchange gain (loss) resulting from the translation or re-measuring of the affiliate's financial statements from its local currency into dollars due to a change in the rate between the local currency and the dollar during the year.	
		42. U.S. Reporter's equity in net worth of foreign affiliate, according to books of foreign affiliate	
		43. Total investment (Equals items 43 + 44 + 45)	
		44. Capital stock, common and preferred, and additional paid-in capital	
		45. Retained earnings — compute on the "equity basis" consistent with items 22 and 40	
		46. Other surplus	
BEA USE ONLY		461	

INTRODUCTION

Purpose — Reports on this form are required in order to provide reliable and up-to-date information on U.S. direct investment abroad.

Authority — Reports on Form BE-577 are mandatory under Section 5(b)(2) of the International Investment Survey Act of 1976 (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101 — hereinafter "the Act"). In Section 3 of Executive Order 11961, the President designated the Department of Commerce as the federal executive agency responsible for collecting the required data on direct investment, and the Secretary of Commerce has assigned this responsibility to the Bureau of Economic Analysis. The implementing regulations are contained in Title 15, CFR, Part 806.

This report has been approved by the Office of Management and Budget under the Federal Reports Act (Public Law No. 831, 77th Congress).

Penalties — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. 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 violation, upon conviction, may be punished by a like fine, imprisonment, or both. (See section 6 of the Act, 22 U.S.C. 3105.)

Confidentiality — The information filed in this report may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of the information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are confidential and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person where the information supplied is identifiable as being derived from the records of such customer (22 U.S.C. 3104).

DEFINITIONS

United States, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, 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, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).

United States person means any person resident in the United States or subject to the jurisdiction of the United States.

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

U.S. direct investment abroad means the ownership or control, directly or indirectly, by one U.S. person of 10 per centum or more of the voting securities of an incorporated foreign business enterprise or an equivalent interest in an unincorporated foreign business enterprise, including a branch.

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

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

U.S. Reporter means the U.S. person which has direct investment in a foreign business enterprise, including a branch. (If the U.S. person is an incorporated business enterprise, the U.S. Reporter is the fully consolidated U. S. domestic enterprise consisting of the U.S. parent corporation which is not owned to the extent of more than 50% of its voting stock by another U.S. corporation and all other domestic corporations in which the parent corporation directly or indirectly owns over 50% of the outstanding voting stock.

Lease is a contract by which one person gives another person the use and possession of tangible property (other than real estate) for a specified time in return for agreed-upon payments.

Banking includes business enterprises engaged in deposit banking, Edge Act corporations engaged in international or foreign banking, foreign branches and agencies of U.S. banks whether or not they accept deposits abroad, and bank holding companies, i.e., holding companies for which over 50 percent of their total income is from banks which they hold.

GENERAL INSTRUCTIONS

Who must report — A Form BE-577 is required from every U.S. person to report its direct transactions or positions with an incorporated foreign business enterprise in which it had a direct and/or indirect ownership interest of at least 10 percent of the voting stock at any time during the reporting period, except as exempted below. Related forms for reporting U.S. direct investment abroad are:

- BE-578 Transactions of U.S. Reporter with Unincorporated Foreign Affiliate, Except a Bank
- BE-578B Transactions of U.S. Reporter with Unincorporated Foreign Banking Affiliate
- BE-577S U.S. Reporter's Directly-owned Foreign Affiliate's Share in Net Income of Indirectly-owned Foreign Affiliate
- BE-507 Industry Classification Questionnaire

Reports are required even though a foreign affiliate may have been established, acquired, seized, liquidated, expropriated, sold, or inactivated during the reporting period.

Coverage — All transactions or positions with the foreign affiliate by all U.S. domestic subsidiaries, divisions, etc., which constitute the U.S. Reporter, as defined, must be combined on one Form BE-577.

Exemption — A foreign affiliate is not required to be reported if each of the following three items for the affiliate (not the U.S. Reporter's share) is between —\$1,000,000 and +\$1,000,000.

- (1) Total assets for the quarter,
- (2) Annual net sales or gross operating revenues, excluding sales taxes, and
- (3) Annual net income after income taxes.

Quarterly reports for a year may be required retroactively when it is determined that the exemption level has been exceeded. If a foreign affiliate's total assets, sales or net income exceed the exemption level in a given year, it is deemed that the exemption level will also be exceeded in the following year.

NOTE: If any one of the three items above exceeds the exemption level, either positive or negative, the affiliate must be reported. Since these items are not reported on Form BE-577, a U.S. Reporter claiming exemption from filing a given report must furnish a certification as to the levels of these three items.

GENERAL INSTRUCTIONS — Continued

Consolidation — In cases where the recordkeeping system of the foreign affiliates makes it impossible or extremely difficult to file a separate report for each foreign affiliate, a U.S. Reporter may consolidate affiliates in the same country when the following conditions apply:

- (1) The affiliates are in the same BEA 3-digit industry as given in the Industry Classification Questionnaire, Form BE-507; OR
- (2) The affiliates are integral parts of the same business operation.

For example, if German affiliate A manufactures tires and a majority of its sales are to German affiliate B which produces autos, then affiliates A and B may be consolidated.

Under no circumstances may a U.S. Reporter consolidate foreign affiliates in different countries.

Filing of report — Form BE-577 is a quarterly report. A single copy of each report should be sent to U.S. Department of Commerce, Bureau of Economic Analysis, BE-50(II), Washington, D.C. 20230, within 30 days after the close of each calendar (or fiscal) quarter, except for the final quarter of the calendar (or fiscal) year, when reports may be filed within 45 days. Requests for extension of the filing date, additional forms, or clarification of the reporting requirements or instructions should be directed to the above address.

Special note for foreign affiliates that are banks: Data to be reported on this form and relationship to Treasury Foreign Exchange Forms B-1, B-2, and B-3 — For foreign affiliates which are banks, items 16, 17, 19, and 21 should be blank, and items 18 and 20 should reflect only those amounts which the U.S. Reporter considers to be permanent invested debt capital in the affiliate and any interest receipts entered in item 12 should relate only to this capital. This permanent investment debt capital and the U.S. Reporter's equity investment in the affiliate (parts IV and VI) must not be reported on Treasury Foreign Exchange Forms B-1, B-2, and B-3.

SPECIFIC INSTRUCTIONS

Currency amounts should be reported in U.S. dollars and rounded to the nearest thousand. If an amount is between ± \$500 enter "0." Use parentheses to indicate negative numbers.

Item 4. Name of foreign affiliate. (Use the same name on all reports filed for this affiliate with the Bureau of Economic Analysis, e.g., Forms BE-133 and BE-10).

Item 6. Industry classification refers to the BEA 3-digit industry codes given in the Industry Classification Questionnaire, Form BE-507.

Item 14. Receipts or payments for use of tangible property include rentals for operational leases of one year or less, net rent on operational leases of more than one year which have not been capitalized, and film and television tape rentals. Net rent is equivalent to the total lease payment less the return of capital (depreciation) component (see instruction for items 20 and 21).

Item 16—19. The current quarter's opening balance should be equal to the preceding quarter's closing balance; therefore, if it is necessary to translate the balances to U.S. dollars, use the same exchange rate to translate the opening balance for the current quarter as was used to translate the closing balance of the preceding quarter. If the closing balance on the preceding quarter's report was in error, note the correction. Entries should be consistent with entries in Part I insofar as they reflect the latter entries. (For example, film rentals shown in item 14 and not received by the U.S. Reporter in the current quarter should be included in Part II.)

Item 16—17. Current items: Trade accounts and notes payable, current portion of long-term debt, overdrafts, and other current liabilities having an original maturity of one year or less, except debt with an original maturity of one year or less which has been renewed, or with respect to which there is the intention and the means to renew, extend, or refinance for more than one year.

Item 18—19. Long-term items: Debt with an original maturity of more than one year or with no stated maturity, and debt with an original maturity of one year or less which has been renewed, or with respect to which there is the intention and the means to renew, extend, or refinance for more than one year.

If leases between the U.S. Reporter and the foreign affiliate are capitalized (in the manner, or in a manner similar to that, prescribed in FASB Statement No. 13), then the outstanding capitalized value should be shown here as an intercompany balance. Lease payments should be disaggregated into the amount which is (a) a reduction in the intercompany balance, which would be reflected in one of these items, and (b) interest, and thus entered in item 12. Capital (financial) and operating leases of more than one year that are not capitalized should be entered in items 20 and 21.

Items 20 and 21. Enter here the value of capital (financial) leases and operational leases of more than one year that have not been capitalized. For operating leases, the net book value of leased plant and equipment is the original cost less accumulated depreciation. For capital (financial) leases, net book value is the amount of principal payments remaining due at the specified time including payment called for by a bargain purchase option, if any. Operating leases of one year or less should not be entered here. Lease payments should be disaggregated into (a) the return of capital, consisting of principal payments for capital (financial) leases and the depreciation component for operational leases, which should be reflected in a reduction in one of these items, and (b) interest for capital (financial) leases, which would be shown in item 12, and net rent for operational leases, which would be shown in item 14.

Item 22. Net income should be reported on a quarterly basis, NOT on a cumulative basis. Net income for the period shown in item 1 should be entered in the "current quarter" column. The "preceding quarter" column should be used to correct data that were incorrect or were not given in the preceding report.

The amount entered should represent the U.S. Reporter's equity, based on its directly held equity interest, in the foreign affiliate's net income (loss) for the quarter, before provision for common and preferred dividends and before any reduction for foreign withholding taxes on dividends, but after provision for other foreign income taxes. The income statement underlying this and related items should be on the "all inclusive" basis. Unrealized gains (losses) resulting from the translation (or remeasuring) of the affiliate's financial statements from its local currency into dollars due to a change in the exchange rate between the local currency and the dollar during the period should be included in net income in accordance with the FASB Statement No. 8. U.S. Reporters whose foreign affiliates are in extractive industries should report net income before depletion charges, except charges representing the amortization of the actual cost of capital assets.

Net income should include, on an equity basis, the foreign affiliate's share in the net income of foreign enterprises owned by it.

If this report is for the U.S. Reporter's direct transactions or accounts with a foreign affiliate in which it does not hold a direct equity interest, the U.S. Reporter's share in net income should be zero. If the U.S. Reporter holds both a direct and an indirect equity interest, only the share representing the direct interest should be given in this item.

Item 23—24. Net unrealized and realized capital gains (losses) include net capital gains (losses) resulting from changes in foreign affiliate's foreign currency denominated assets and liabilities due to changes in foreign exchange rates during the period, net unrealized capital gains (losses), which are recognized, resulting from revaluation of assets, and net realized capital gains (losses) resulting from disposition of assets such as the sale of investment securities or property, plant, or equipment items. All gains (losses) should be included in net income, item 22, and, therefore, should be shown in item 23; if for some reason, they were not included in net income but were taken directly to retained earnings or a surplus account, enter the amount in item 24.

Item 40. Same instructions as for item 22, except that this refers to the annual figure for the year designated in item 38.