

SUPPORTING STATEMENT FOR FORM BE-185 QUARTERLY SURVEY OF FINANCIAL SERVICES TRANSACTIONS BETWEEN U.S. FINANCIAL SERVICES PROVIDERS AND FOREIGN PERSONS

B. Collection of Information Employing Statistical Methods

1. The potential respondent universe is all U.S. financial services providers that engaged in financial services transactions with foreign persons. A company must report if its sales of financial services to foreign persons exceeded \$20 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year, or its purchases of financial services from foreign persons exceeded \$15 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year.

BEA plans to mail the survey form to approximately 200 companies quarterly and, as noted in A.12. above, expects about 175 reports to be filed quarterly, or 700 reports annually. BEA will estimate data for those companies that fall below the BE-185 quarterly survey reporting threshold based on the prior reports, growth in the transactions of a current-quarter matched sample of respondents, voluntarily provided data, and data provided in the exemption claims. BEA will allocate these amounts by country and by type of transaction, based on the distribution of reported transactions, for inclusion in the published totals. Thus, the estimates will cover the universe of transactions.

2. The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before the final estimates are released. The data are collected and reviewed according to documented procedures including the use of check lists, procedures manuals, and on-going review by the appropriate supervisor or team leader. The quality of the data are validated using a battery of computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information complies with all applicable information quality guidelines, i.e., those of the Department of Commerce, OMB, and the Bureau of Economic Analysis.

The list of respondents, derived from public and private sources, including business directories and establishment lists, is revised frequently to include new entrants and to eliminate inactive firms. A company must report if its sales of financial services to foreign persons exceeded \$20 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year, or its purchases of financial services from foreign persons exceeded \$15 million for the

previous fiscal year or are expected to exceed that amount during the current fiscal year.

Final estimates are based primarily on tabulations of reports received. To the extent that reports are not filed, or are filed too late to be used for the current estimate, BEA will generate an estimate based upon data previously reported or estimated for the nonrespondent. As explained in B.1. above, it will also generate estimates for firms falling below the exemption levels for reporting.

A high degree of accuracy is needed for the purposes stated in the justification.

No unusual problems have been identified that would require the use of specialized sampling procedures.

The proposed BE-185 quarterly data collection cycle is needed to produce current, comprehensive data.

3. To help maximize response rates, individual pre-printed report forms are sent to all potential respondents. Any person specifically contacted by BEA must respond in writing, by filing either a completed Form BE-185 or a valid exemption claim. Nonrespondents will be sent follow-up notices and, in the event of continued nonresponse, may be referred to the Office of the General Counsel for further action. The BE-185 quarterly survey includes data previously collected on the BE-85 survey, which will be discontinued, as well as data covering affiliated financial services transactions from the BE-577, BE-605, and BE-605 Bank (the quarterly direct investment survey reports). Based on response rates from these surveys, BEA estimates that it will receive approximately 85-90 percent of the reports in time to publish the final estimates.

4. No tests were conducted.

5. The BE-185 survey is designed and conducted within BEA by the International Investment Division (IID). For further information contact Obie G. Whichard, Chief, International Investment Division, at obie.whichard@bea.gov or (202) 606-9890.