FORM **BE-15(LF)** (REV. 11/2006)

OMB No. 0608-0034: Approval Expires 10/31/2009 | **BEA Identification Number →**

BEA BUREAU OF ECONOMIC ANALYSIS U.S. DEPARTMENT OF COMMERCE

# ANNUAL SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES – 2006 (LONG FORM)

**MANDATORY — CONFIDENTIAL**

## DUE DATE: MAY 31, 2007

**ELECTRONIC FILING:** Go to **www.bea.gov/astar** for details

**OR**

**MAIL REPORTS TO:** U.S. Department of Commerce
Bureau of Economic Analysis
BE-49(A)
Washington, DC 20230

**OR**

**DELIVER REPORTS TO:** U.S. Department of Commerce
Bureau of Economic Analysis, BE-49(A)
Shipping and Receiving Section, M100
1441 L Street, NW
Washington, DC 20005

### ASSISTANCE

**Email:** **be12/15@bea.gov**

**Telephone:** (202) 606-5577

**FAX:** (202) 606-5319

**Copies of blank forms:**

**http://www.bea.gov/bea/surveys/fdiusurv.htm**

**Name and address of U.S. business enterprise –** If a label has been affixed, make any changes directly on the label. If a label has not been affixed, enter the BEA Identification Number of this U.S. affiliate, if available, in the box at the upper right hand corner of this page.

Name of U.S. affiliate
1002 0

c/o (care of)
1010 0

Street or P.O. Box
1003 0

City and State
1004 0

ZIP Code
1005 0 OR Foreign Postal Code 0

### IMPORTANT

Please read the **Instructions**, starting on page 21, before completing this form. Definitions of key terms used in this report are found starting on page 23. **Insurance and real estate companies** see Special Instructions on page 26.

- **Who must report –** See Instruction I.A. starting on page 21.
- **Which form to file –** See Instruction I.A.1 starting on page 21.
- **Accounting principles –** Use U.S. Generally Accepted Accounting Principles (U.S. GAAP) in completing Form BE-15(LF) unless otherwise specified by a specific instruction. References in the instructions to Financial Accounting Standards Board statements are referred to as "FAS." DO NOT use International Financial Reporting Standards or reporting standards that are not U.S. GAAP.
- **U.S. affiliate's 2006 fiscal year –** The U.S. affiliate's financial reporting year that had an ending date in calendar year 2006.
- **Consolidated reporting –** A U.S. affiliate must file on a fully consolidated **domestic U.S.** basis, including in the consolidation all non-bank **U.S. affiliates** in which it directly or indirectly owns more than 50 percent of the outstanding voting interest. The consolidation rules are found in instruction IV.2 starting on page 23.
- **Rounding –** Report currency amounts in U.S. dollars rounded to thousands (omitting 000). **Do not enter amounts in the shaded portions of each line.** **Example –** If amount is $1,334,891.00 report as: →

| Bil. | Mil. | Thous. | Dols. |
|---|---|---|---|
| | 1 | 335 | |

**MANDATORY —** 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 – hereinafter "the Act") and the filing of reports is mandatory pursuant to Section 5(b)(2) of the Act (22 U.S.C. 3104).

**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.

**PENALTIES —** Whoever fails to report shall be subject to a civil penalty of not less than $2,500, and not more than $25,000, 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 subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

**PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT — *Enter name and address***

Name 1000 0

Address 1029 0

1030 0

1031 0

TELEPHONE NUMBER 1001 0 Area code Number Extension

FAX NUMBER 0999 0 Area code Number

**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 instruction III.D. on page 23, estimates may have been provided.

Authorized official's signature | Date

Print or type name and title

Telephone number | FAX number

May we use e-mail to correspond with you to discuss questions relating to this Form BE-15(LF), including questions that may contain information about your company that you may consider confidential? (Note that electronic mail is not inherently confidential; we will treat information we receive as confidential, but your e-mail is not necessarily secure against interception by a third party.)

1027 1 **1** ☐ Yes *(If yes, please provide your e-mail address.)* → E-mail address 0 1028

1 **2** ☐ No

***PLEASE CONTINUE ON PAGE 2***

## PART I – IDENTIFICATION OF U.S. AFFILIATE

**Additional Instructions** by line item are at the back of this form starting with Section IV of the instructions on page 23.

### IDENTIFICATION OF U.S. AFFILIATE

**1. What financial reporting standards were used to complete this BE-15 report?** NOTE: Unless it is highly burdensome or not feasible, the BE-15 report should be completed using U.S. Generally Accepted Accounting Principles (U.S. GAAP).

1399 1 **1** ☐ U.S. Generally Accepted Accounting Principles

1 **2** ☐ International Financial Reporting Standards or other reporting standards, but with adjustments to correct for any material differences between U.S. GAAP and the reporting standards used. *Specify the reporting standards used.*

1 **3** ☐ International Financial Reporting Standards or other reporting standards, but without adjustments to correct for any material differences between U.S. GAAP and the reporting standards used. *Specify the reporting standards used.*

**2. Consolidated reporting by the U.S. affiliate –** The consolidation rules are found on pages 23 and 24.

**Is more than 50 percent of the voting interest in this U.S. affiliate owned by another U.S. affiliate of your foreign parent?**

1400 1 **1** ☐ Yes

1 **2** ☐ No

**If the answer is "Yes" –** Do not complete this report unless exception 2e described in the consolidation rules on page 24 applies. If this exception does not apply, please forward this BE-15 survey packet to the U.S. business enterprise owning your company more than 50 percent, and notify BEA of the action taken by filing Form **BE-15 Supplement C** with item **2(b)** completed on page 3 of that form. The BE-15 Supplement C can be downloaded from our web site at: http://www.bea.gov/bea/surveys/fdiusurv.htm

**If the answer is "No"** – Complete this report in accordance with the consolidation rules on pages 23 and 24.

**3.** Enter Employer Identification Number(s) used by the U.S. affiliate to file income and payroll taxes.

| | Primary | Other |
|---|---|---|
| 1006 | 1 – | 2 – |

**4. REPORTING PERIOD –** Reporting period instructions are found on page 24.

This U.S. affiliate's financial reporting year ended in calendar year 2006 on →

| | Month | Day | Year |
|---|---|---|---|
| 1007 | 1 | | |

**Example –** If the financial reporting year ended on March 31, report for the 12-month period ended March 31, **2006.**

**5. Did the U.S. business enterprise become a U.S. affiliate during its fiscal year that ended in calendar year 2006?**

1008 1 **1** ☐ Yes – **If "Yes" –** Enter date U.S. business enterprise became a U.S. affiliate and see instruction 5 on page 24. →

1 **2** ☐ No

| | Month | Day | Year |
|---|---|---|---|
| 1009 | 1 | | |

**NOTE –** For a U.S. business enterprise that became a U.S. affiliate during its fiscal year that ended in calendar year 2006, leave the close FY 2005 data columns blank.

Remarks

**6. Form of organization of U.S. affiliate —** *Mark (X) one*

1011 [1] **1** ☐ Incorporated in U.S.

Reporting rules for unincorporated affiliates are found in instruction 6 starting on page 24.

[1] **2** ☐ U.S. partnership — Reporting rules for partnerships are found in instruction 6b starting on page 24.

[1] **3** ☐ U.S. branch of a foreign person

[1] **4** ☐ Limited Liability Company (LLC) — Reporting rules for LLCs are found in instruction 6c on page 25.

[1] **5** ☐ Real property not in 1–4 above — Reporting rules for real estate are found in instruction V.C. on page 26.

[1] **6** ☐ Business enterprise incorporated abroad, but whose head office is located in the United States and whose business activity is conducted in, or from, the United States

[1] **7** ☐ Other — *Specify*

**7. U.S. affiliates fully consolidated in this report —** The consolidation rules are found starting on page 23.

If this report is for a single unconsolidated U.S. affiliate, enter "1" in the box below. If more than one U.S. affiliate is consolidated in this report, enter the number of U.S. affiliates consolidated. Hereinafter they are considered to be one U.S. affiliate. **Exclude from the consolidation all foreign business enterprises owned by this U.S. affiliate.** Foreign operations in which you own a majority interest are to be deconsolidated. Include unconsolidated businesses on an equity basis or, if less than 20 percent owned, in accordance with FAS 115 or the cost method of accounting. Except as noted in the consolidation rules, more-than-50-percent-owned U.S. affiliates must be fully consolidated in this report unless permission has been received in writing from BEA to do otherwise; those not consolidated should file a separate Form BE-15(LF) or BE-15(SF).

1012 [1] ☐

**Number — If number is greater than one, complete the Supplement A on page 17.**

**8. U.S. affiliates NOT fully consolidated —** *See instruction 8 on page 25.*

1013 [1] ☐

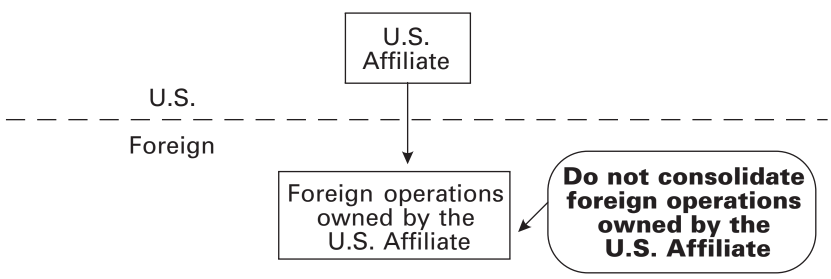
**Number — If number is not zero, complete the Supplement B on page 19.** The U.S. affiliate named on page 1 must include data for unconsolidated U.S. affiliates on an equity basis or, if less than 20 percent owned, in accordance with FAS 115 or the cost basis, and must notify the unconsolidated nonbank U.S. affiliates of their obligation to file a Form BE-15(LF), BE-15(SF), or BE-15 Supplement C in their own names.

**9. Does this U.S. affiliate own any foreign operations?**

1014 [1] **1** ☐ Yes

[1] **2** ☐ No

**If "Yes" —** DO NOT consolidate foreign operations. Foreign operations in which you own an interest of 20 percent or more, including those in which you own a majority interest, are to be deconsolidated and reported using the equity method of accounting. If your ownership interest is less than 20 percent, foreign operations are to be reported in accordance with FAS 115 or the cost method of accounting. Reporting rules for foreign operations are found in the instruction 2a starting on page 23.




**10. Did this U.S. affiliate acquire or establish any U.S. business enterprises or segments during the reporting period that are now either contained in this report on a fully consolidated basis, merged into this U.S. affiliate, or reflected as an equity investment?**

1015 [1] **1** ☐ Yes

[1] **2** ☐ No

**If "Yes" —** *File a Form BE-13 to reflect each acquisition if you have not done so already. Forms can be found at:* **www.bea.gov/bea/surveys/fdiusurv.htm**

**11. Did this U.S. affiliate sell, transfer ownership of, or liquidate any of its U.S. subsidiaries, operating divisions, segments, etc., during its fiscal year that ended in calendar year 2006?**

1016 [1] **1** ☐ Yes

[1] **2** ☐ No

Remarks

***PLEASE CONTINUE ON PAGE 5.***

## FOREIGN PARENT AND UBO INDUSTRY CODES

**Note:** "ISI codes" are International Surveys Industry codes, as given in the *Guide to Industry and Foreign Trade Classifications for International Surveys, 2002.*

**01** Government and government-owned or -sponsored enterprise, or quasi-government organization or agency

**02** Pension fund — Government run

**03** Pension fund — Privately run

**04** Estate, trust, or nonprofit organization (that part of ISI code 5252 that is estates and trusts)

**05** Individual

**Private business enterprise, investment organization, or group engaged in:**

**06** Insurance (ISI codes 5242, 5243, 5249)

**07** Agriculture, forestry, fishing and hunting (ISI codes 1110–1140)

**08** Mining (ISI codes 2111–2127)

**09** Construction (ISI codes 2360–2380)

**10** Transportation and warehousing (ISI codes 4810–4939)

**11** Utilities (ISI codes 2211–2213)

**12** Wholesale and retail trade (ISI codes 4231–4251 and 4410–4540)

**13** Banking, including bank holding companies (ISI codes 5221 and 5229)

**14** Holding companies, excluding bank holding companies (ISI codes 5512 and 5513)

**15** Other finance (ISI codes 5223, 5224, 5231, 5238, that part of ISI code 5252 that is not estates and trusts, and ISI code 5331)

**16** Real estate (ISI code 5310)

**17** Information (ISI codes 5111–5191)

**18** Professional, scientific, and technical services (ISI codes 5411–5419)

**19** Other services (ISI codes 1150, 2132, 2133, 5321, 5329, and 5611–8130)

**Manufacturing, including fabricating, assembling, and processing of goods:**

**20** Food (ISI codes 3111–3119)

**21** Beverages and tobacco products (ISI codes 3121 and 3122)

**22** Pharmaceuticals and medicine (ISI code 3254)

**23** Other chemicals (ISI codes 3251–3259, except 3254)

**24** Nonmetallic mineral products (ISI codes 3271–3279)

**25** Primary and fabricated metal products (ISI codes 3311–3329)

**26** Computer and electronic products (ISI codes 3341–3346)

**27** Machinery manufacturing (ISI codes 3331–3339)

**28** Electrical equipment, appliances and components (ISI codes 3351–3359)

**29** Motor vehicles and parts (ISI codes 3361–3363)

**30** Other transportation equipment (ISI codes 3364–3369)

**31** Other manufacturing (ISI codes 3130–3231, 3261, 3262, 3370–3399)

**32** Petroleum manufacturing, including integrated petroleum and petroleum refining without extraction (ISI codes 3242–3244)

## PART I – IDENTIFICATION OF U.S. AFFILIATE – Continued

**IMPORTANT NOTE –** *Complete columns 3 and 4 ONLY if the percentage of direct voting ownership given in columns 1 and 2 DOES NOT equal the equity interest. "Voting interest" and "equity interest" are defined in instructions 12–16 on page 25.*

**Ownership — *Enter percent of ownership,*** *in this U.S. affiliate, to a tenth of one percent, based on voting and equity interests if an incorporated affiliate or an equivalent interest if an unincorporated affiliate.*

| **Foreign parent —** A foreign parent is the FIRST person or entity outside the U.S. in a chain of ownership that has an investment (direct or indirect) in this U.S. affiliate. **Ownership held directly by foreign parents of this affiliate —** Give name of each foreign parent with direct ownership. (If more than 2, continue on a separate sheet.) | Country of incorporation or organization, if a business enterprise, or residence, if an individual. For individuals, see instruction V.F. on page 27. | REPORTING PERIOD — Voting interest — Close FY 2006 (1) | Voting interest — Close FY 2005 (2) | Equity interest — Close FY 2006 (3) | Equity interest — Close FY 2005 (4) | BEA USE ONLY (5) |
|---|---|---|---|---|---|---|
| **12.** | 1017 | 1 . % | 2 . % | 3 . % | 4 . % | 5 |
| **13.** | 1018 | 1 . % | 2 . % | 3 . % | 4 . % | 5 |
| **Ownership held indirectly by foreign parents of this U.S. affiliate through another U.S. affiliate —** Give name of each higher tier U.S. affiliate that owns this U.S. affiliate. (If more than 2, continue on a separate sheet.) | Country of foreign parent of each U.S. affiliate | | | | | |
| **14.** | 1063 | 1 . % | 2 . % | 3 . % | 4 . % | 5 |
| **15.** | 1064 | 1 . % | 2 . % | 3 . % | 4 . % | 5 |
| **16a. All other U.S. persons** | 1061 | 1 . % | 2 . % | 3 . % | 4 . % | |
| **16b. All other foreign persons** | 1062 | 1 . % | 2 . % | 3 . % | 4 . % | |
| **TOTAL of directly held ownership interests — *Sum of items 12 through 16b.*** → | | **100.0%** | **100.0%** | **100.0%** | **100.0%** | |

**17. Enter the name and industry code of the foreign parent.** If there is more than one foreign parent, list each and its industry code on a separate sheet.

**17a. Enter name of foreign parent.** If the foreign parent is an individual enter "individual."

3011 0

**17b. Enter the foreign parent industry code** from the list of codes on page 4 that best describes the PRIMARY activity of the SINGLE entity named as the foreign parent. DO NOT base the code on the world-wide sales of all consolidated subsidiaries of the foreign parent.

3018 1

**18. For each foreign parent,** furnish the name, country and industry code of the ultimate beneficial owner (UBO). If there is more then one foreign parent, list each on a separate sheet and give the name of its UBO, and the UBO's country and industry codes. The UBO is that person or entity, proceeding up the ownership chain beginning with and including the foreign parent, that is not more than 50 percent owned or controlled by another person or entity. See instruction II.Q. on page 23 for the complete definition of UBO.

**18a. Is the foreign parent also the UBO?** If the foreign parent is owned or controlled more than 50 percent by another person or entity, then the foreign parent is NOT the UBO.

3019 1 **1** ☐ Yes — *Skip to 18d.* 1 **2** ☐ No – *Continue with 18b.*

**18b. Enter the name of the UBO of the foreign parent.** If the UBO is an individual enter "individual." Identifying the UBO as "bearer shares" is not an acceptable response.

3021 0

**18c. Enter country of UBO.** For individuals, see instruction V.F. on page 27. **BEA USE ONLY** 3022 1

**18d. Enter the industry code of the UBO** from the list of codes on page 4. **NOTE —** The UBO industry code is based on the consolidated world-wide activities of all majority-owned subsidiaries of the UBO. Select the industry code that best reflects the consolidated world-wide sales of all majority-owned subsidiaries of the UBO.

3023 1 Code "14" (holding company) is normally NOT a valid UBO industry code.

| **BEA USE ONLY** 1070 | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|

Remarks

## PART I – IDENTIFICATION OF U.S. AFFILIATE – Continued

**19. Major activity(ies) of fully consolidated U.S. affiliate –** For an inactive affiliate, select the activity(ies) based on its last active period; for "start-ups," select the intended activity(ies).

**CHECK ALL BOXES THAT DESCRIBE A MAJOR ACTIVITY OF THE FULLY CONSOLIDATED U.S. AFFILIATE**

| | Producer of goods (1) | Seller of goods the U.S. affiliate does not produce (2) | Producer or distributor of information (3) | Provider of services (4) | Real estate (5) | Other (6) |
|---|---|---|---|---|---|---|
| 1072 | 1 **1** ☐ | 2 **2** ☐ | 3 **3** ☐ | 4 **4** ☐ | 5 **5** ☐ | 6 **6** ☐ – *Specify* |

**20. What is (are) the major product(s) and/or service(s) involved in this(these) activity(ies)?** *If a product, also state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, transported, packaged, etc. (For example, "manufacture widgets.")*

1163 0

**Industry classification of fully consolidated U.S. affiliate** (based on sales or gross operating revenues) — Enter the 4-digit International Surveys Industry (ISI) code(s) and the sales and employment associated with each code. For a full explanation of each code, see the *Guide to Industry and Foreign Trade Classifications for International Surveys, 2002.* A copy of this guide can be found on our web site at: www.bea.gov/bea/surveys/2002be799print.pdf

If you use fewer than ten codes, you must account for total sales in items 21 through 29. For an inactive affiliate, show the industry classification(s) based on its last active period; for "start-ups" with no sales, show the intended activity(ies).

**Total sales or gross operating revenues, excluding sales taxes –** Gross sales minus returns, allowances, and discounts; or gross operating revenues. EXCLUDE sales or consumption taxes levied directly on the consumer and excise taxes levied directly on manufacturers, wholesalers, and retailers. INCLUDE revenues generated during the year from the operations of a discontinued business segment, but EXCLUDE gains or losses from DISPOSALS of discontinued operations. Report such gains or losses on page 9, item 57.

**Dividends, interest, and investment gains (losses) –** INCLUDE dividends and interest earned ONLY by finance and insurance companies and units. EXCLUDE dividends and interest earned by non-finance and non-insurance companies and units. Non-finance and non-insurance companies and units should report dividends and interest as other income (page 9, item 58). EXCLUDE all investment gains and losses. Report all investment gains and losses as certain realized and unrealized gains (losses) (page 9, item 57).

**Holding companies** (ISI code 5512) must show total income as reported in item 59 on page 9. **Note –** A U.S. affiliate that is a conglomerate must determine its industry code based on the activities of the fully consolidated domestic U.S. business enterprise. The "holding company" classification, therefore, is often an invalid industry classification for a conglomerate.

**Derivative instruments –** EXCLUDE all gains and losses from derivative instruments. Report gains and losses from derivative instruments as certain realized and unrealized gains and losses (page 9, item 57).

**Book publishers, printers, and Real Estate Investment Trusts –** *See instructions for items 21–34 on page 25.*

**Employment –** Include in column (3) all employees, including part-time employees, on the payroll at the end of FY 2006, associated with each code. (For employees engaged in manufacturing activities, also see the instructions for column (4) of the state schedule located on page 14). A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of the number on the payroll at the end of the fiscal year that ended in calendar year 2006. Reporting employment (including how to report when employment is subject to unusual variations) is discussed in more detail on page 14.

**NOTE:** → For most U.S. Reporters, the employment distribution in column (3) is not proportional to the sales distribution in column (2). Therefore, do not distribute employment by industry in proportion to sales by industry.

| | | ISI code (1) | Sales (2) Bil. Mil. Thous. Dols. | Number of employees engaged in activities encompassed in each industry code in column (1) (3) |
|---|---|---|---|---|
| **21.** Enter code with largest sales | 1164 | 1 | 2 $ | 3 |
| **22.** Enter code with 2nd largest sales | 1165 | 1 | 2 | 3 |
| **23.** Enter code with 3rd largest sales | 1166 | 1 | 2 | 3 |
| **24.** Enter code with 4th largest sales | 1167 | 1 | 2 | 3 |
| **25.** Enter code with 5th largest sales | 1168 | 1 | 2 | 3 |
| **26.** Enter code with 6th largest sales | 1169 | 1 | 2 | 3 |
| **27.** Enter code with 7th largest sales | 1170 | 1 | 2 | 3 |
| **28.** Enter code with 8th largest sales | 1171 | 1 | 2 | 3 |
| **29.** Enter code with 9th largest sales | 1176 | 1 | 2 | 3 |
| **30.** Enter code with 10th largest sales | 1177 | 1 | 2 | 3 |
| **31. Number of employees of administrative offices and other auxiliary units —** **Include** employees at corporate headquarters, central administrative, and regional offices located in the U.S. that provide administration and management or support services for the consolidated U.S. affiliate. Support services include accounting, data processing, legal, research and development and testing, and warehousing. Also **include** employees located at a U.S. operating unit (e.g., a manufacturing plant or warehouse) that provide administration and management or support services to more than one U.S. operating unit. **Exclude** employees located at a U.S. operating unit that provide administration and management or support services for only that one unit. Instead, report such employees in column (3) of items 21 through 30 where the industry(ies) of the operating unit(s) is(are) reported in column (1). | 1178 | | | 3 |
| **32.** Sales and employees accounted for — *Sum of items 21 through 31* | 1172 | | 2 | 3 |
| **33.** Sales and employees not accounted for above — *Item 30 must have an entry if amounts are entered on this line.* | 1173 | | 2 | 3 |
| **34. TOTAL SALES OR GROSS OPERATING REVENUES (excluding sales taxes) AND EMPLOYEES — *Sum of items 32 and 33, columns (2) and (3) (Total sales must equal item 55 and also item 72. Total employees must equal item 107 column 3.)*** → | 1174 | 1 | 2 $ | 3 |

**BEA USE ONLY**

| | | | | | |
|---|---|---|---|---|---|
| 1200 | 1 | 2 | 3 | 4 | 5 |
| 1201 | 1 | 2 | 3 | 4 | 5 |
| 1202 | 1 | 2 | 3 | 4 | 5 |
| 1203 | 1 | 2 | 3 | 4 | 5 |

# PART I – IDENTIFICATION OF U.S. AFFILIATE – Continued

**35. Percentage of e-commerce sales —** Of the total sales reported on page 6, line 34 column 2, approximately what percentage **(rounded to the nearest whole number from 0 to 100)** represents e-commerce sales? E-commerce sales consist of orders placed over the Internet, or through an Extranet, an Electronic Data Interchange network, electronic mail, or some other online system. Payment may or may not be made online. DO NOT INCLUDE e-commerce sales to domestic U.S. establishments consolidated into this report. However, INCLUDE sales to foreign and domestic U.S. affiliates NOT consolidated into this report. If none enter zero.

1179 1 ______ %

***Please check box if percentage of e-commerce sales is zero.*** 1 2 ☐

**INSURANCE INDUSTRY CODES 5243 AND 5249 — Premiums earned, certain policy fees, and losses incurred**

Insurance related activities are covered by industry codes 5243 (Insurance carriers, except life insurance carriers) and 5249 (life insurance carriers).

**36a. Of the total sales and gross operating revenues reported on line 34, column 2, were any of the sales or revenues generated by insurance related activities?**

1180 1 **1** ☐ Yes – *Answer items 36b and 36c*
1 **2** ☐ No – *Skip to item 37a*

**NOTE: Complete items 36b and 36c ONLY if item 36a is answered "Yes."**

| | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|
| **36b. Premiums earned —** Report premiums, gross of commissions, included in revenue during the reporting year. Calculate 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. EXCLUDE all annuity premiums. Also EXCLUDE premiums and policy fees related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life polices. 1181 | 1 $ |
| **36c. Losses incurred —** Report losses incurred for the insurance products covered by question 36b. EXCLUDE loss adjustment expenses and losses that relate to annuities. Also EXCLUDE losses related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.<br><br><u>For property and casualty insurance</u>, calculate as net losses paid during the reporting year, minus net unpaid losses at the beginning of the year, plus net unpaid losses at the end of the year. In the calculation of net losses, include losses on reinsurance assumed from other companies and exclude losses on reinsurance ceded to other companies. Unpaid losses include both case reserves and losses incurred but not reported.<br><br><u>For life insurance</u>, losses reflect policy claims on reinsurance assumed or on primary insurance sold, minus losses recovered from reinsurance ceded, adjusted for changes in claims due, unpaid, and in course of settlement. 1182 | 1 $ |

**WHOLESALE AND RETAIL TRADE INDUSTRY ACTIVITIES — Goods purchased for resale without further processing**

Wholesale trade industry activities include the wholesale trade of durable goods and nondurable goods. These activities are covered by industry codes 4231 through 4251.

Retail trade industry activities are covered by industry codes 4410 through 4540.

**37a. Of the total sales and gross operating revenues reported on line 34, column 2, were any of the sales or revenues generated by wholesale or retail trade activities?**

1183 1 **1** ☐ Yes – *Answer items 37b and 37c*
1 **2** ☐ No – *Skip to item 38*

**NOTE: Complete items 37b and 37c ONLY if item 37a is answered "Yes."**

| | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|
| **37b. Enter the cost of goods purchased for resale without further processing during the fiscal year that ended in calendar year 2006** → 1184 | 1 $ |

| | BALANCES | |
|---|---|---|
| | CLOSE FY 2006 (1) Bil. Mil. Thous. Dols. | Close FY 2005 **(Unrestated)** (2) Bil. Mil. Thous. Dols. |
| **37c. Enter the closing balances at the end of fiscal years 2006 and 2005 of the inventory of goods purchased for resale without further processing.** 1185 | 1 $ | 2 $ |

Remarks

## PART II – FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE

***Report all amounts in thousands of U.S. dollars.***

### Section A — BALANCE SHEET

NOTE — Disaggregate all asset and liability items in the detail shown. Show receivables and payables between the U.S. affiliate and the foreign parent(s) and foreign affiliates of the foreign parent(s) in the proper asset and liability accounts of the U.S. affiliate rather than as a net amount. Also show receivables and payables between the U.S. affiliate and foreign affiliates owned by this U.S. affiliate. Insurance companies see page 26, V.A., for special instructions.

| Item | Code | BALANCES — Close FY 2006 (1) Bil. Mil. Thous. Dols. | BALANCES — Close FY 2005 **(Unrestated)** (2) Bil. Mil. Thous. Dols. |
|---|---|---|---|
| • ASSETS | | | |
| **38. Cash items —** Deposits in financial institutions and other cash items. *Do NOT include overdrafts as negative cash.* **Note —** Although including certificates of deposit (CDs) in CASH is permitted by generally accepted accounting principles, **exclude** CDs and other deposits of the U.S. affiliate held by the foreign parent(s) or foreign affiliates of the foreign parent(s). Include them below in item 39a, current receivables. | 2101 | 1 $ | 2 $ |
| **39a. Current receivables (gross amount before allowance for doubtful accounts) —** Trade accounts, trade notes, and other current receivables. Include CDs and other deposits held by the foreign parent(s) or foreign affiliates of the foreign parent(s). *(See note in item 38 above.)* | 2102 | 1 | 2 |
| **39b. Allowance for Doubtful Accounts —** Include doubtful current receivable amounts reported in item 39a plus any doubtful noncurrent receivable amounts reported in item 44 (other noncurrent assets). | 2103 | 1 ( ) | 2 ( ) |
| **40. Inventories —** Land development companies, exclude land held for resale (include in item 41); finance and insurance companies, exclude inventories of marketable securities (include in item 41 or item 44, as appropriate). | 2104 | 1 | 2 |
| **41. Other current assets, including land held for resale and current marketable securities.** | 2105 | 1 | 2 |
| **42. Equity investment in unconsolidated U.S. affiliates and all foreign entities —** Include all U.S. and foreign investments that are to be reported on the equity basis. Include equity in undistributed earnings since acquisition. NOTE: Foreign operations in which you own an interest of 20 percent or more, including those in which you own a majority interest, are to be deconsolidated. Include all unconsolidated businesses on an equity basis or, if less than 20 percent owned, in accordance with FAS 115 or the cost method of accounting. | 2106 | 1 | 2 |
| **43. Property, plant, and equipment, net —** Include land, timber, mineral rights, structures, machinery, equipment, special tools, deposit containers, construction in progress, and capitalized tangible and intangible exploration and development costs of the affiliate, at historical cost net of accumulated depreciation, depletion, and amortization. Include items on capital leases from others, per FAS 13, and property you own that you lease to others under operating leases. Exclude all other types of intangible assets, and land held for resale. (An unincorporated affiliate should include items owned by its foreign parent but which are in the affiliate's possession in the United States whether or not carried on the affiliate's own books or records.) | 2107 | 1 | 2 |
| **44. Other noncurrent assets —** Include noncurrent receivables; other investments; intangible assets not included in item 43 above, net of amortization; and all noncurrent assets not included above. — *Specify major items* | 2108 | 1 | 2 |
| **45. TOTAL ASSETS —** ***Sum of items 38 through 44*** → | 2109 | 1 $ | 2 $ |
| • LIABILITIES | | | |
| **46. Current liabilities and long-term debt —** Trade accounts, trade notes, other current liabilities, long-term debt, and securities that are debt per FAS 150. | 2111 | 1 $ | 2 $ |
| **47. Other noncurrent liabilities —** Items other than those identifiable as long-term debt, such as deferred taxes and underlying minority interest in consolidated U.S. subsidiaries. — *Specify* | 2113 | 1 | 2 |
| **48. TOTAL LIABILITIES —** ***Sum of items 46 and 47*** → | 2114 | 1 $ | 2 $ |
| • OWNERS' EQUITY | | | |
| **49. Capital stock and additional paid-in capital —** Common and preferred, voting and non-voting capital stock and additional paid-in capital. | 2116 | 1 $ | 2 $ |
| **50. Retained earnings (deficit)** | 2117 | 1 | 2 |
| **51. Treasury stock** | 2118 | 1 ( ) | 2 ( ) |

| **52. Accumulated other comprehensive income (loss)** | Code | Close FY 2006 (1) Bil. Mil. Thous. Dols. | Close FY 2005 **(Unrestated)** (2) Bil. Mil. Thous. Dols. |
|---|---|---|---|
| **52a. Translation adjustment** | 2122 | 1 $ | 2 $ |
| **52b. All other components** | 2128 | 1 $ | 2 $ |

| Item | Code | Close FY 2006 (1) | Close FY 2005 (Unrestated) (2) |
|---|---|---|---|
| **52c. Total accumulated other comprehensive income (loss) —** ***Equals sum of 52a. and 52b.*** → | 2129 | 1 | 2 |
| **53.** Other — *Specify major items* | 2119 | 1 | 2 |
| **54. TOTAL OWNERS' EQUITY (INCORPORATED OR UNINCORPORATED U.S. AFFILIATE) —** *Sum of items 49, 50, 51, 52c and 53 for incorporated U.S. affiliates and those unincorporated U.S. affiliates for which this breakdown is available. For those unincorporated U.S. affiliates that cannot provide a breakdown for items 49 through 53, report total owners' equity in this item. For both incorporated and unincorporated U.S. affiliates, total owners' equity must equal item 45 minus item 48.* → | 2120 | 1 $ | 2 $ |

## PART II – FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE – Continued

***Report all amounts in thousands of U.S. dollars.***

| Section B — INCOME STATEMENT | Code | Amount (1) Bil. / Mil. / Thous. / Dols. |
|---|---|---|
| **Section B — INCOME STATEMENT**<br>Insurance companies see page 26, V.A. for special instructions.<br>• INCOME | | |
| **55. Sales or gross operating revenues, excluding sales taxes —** Item 55 must equal item 34, column 2 and also item 72. | 2149 | 1 $ |
| **56. Income from equity investments in unconsolidated U.S. affiliates and all foreign entities —** Report equity in earnings during the reporting period for all U.S. and foreign investments included on the equity basis on line 42. For investments owned less than 20 percent and not subject to FAS 115, report dividends received. | 2150 | 1 |
| **57. Certain realized and unrealized gains (losses) — Note:** Please read the following instructions carefully as they are keyed to economic accounting concepts and in some cases may deviate from what is normally required by U.S. Generally Accepted Accounting Principles.<br>**Report at gross** amount **before** income tax effect. Include tax effect in item 61 below. Report gains (losses) resulting from:<br>**a.** Sales or other disposition of financial assets, including investment securities; FAS 115 holding gains (losses) on securities classified as trading securities; FAS 115 impairment losses; and gains and losses derived from derivative instruments. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies, see special instructions on page 25;<br>**b.** Sales or disposition of land, other property, plant and equipment, or other assets, and FAS 144 impairment losses. EXCLUDE gains or losses from the sale of inventory assets in the ordinary course of trade or business. Real estate companies, see special instructions on page 25;<br>**c.** Goodwill impairment as defined by FAS 142;<br>**d.** Restructuring. INCLUDE restructuring costs that reflect write downs or writeoffs of assets or liabilities. EXCLUDE actual payments, or charges to establish reserves for future actual payments, such as for severance pay, and fees to accountants, lawyers, consultants, or other contractors. Report such items on line 60;<br>**e.** DISPOSALS of discontinued operations. EXCLUDE income from the operations of a discontinued segment. Report such income as part of your income from operations in items 21 through 34;<br>**f.** Remeasurement of the U.S. affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period;<br>**g.** Extraordinary, unusual, or infrequently occurring items that are material. INCLUDE losses from accidental damage or disasters, after estimated insurance reimbursement. INCLUDE other material items, including writeups, writedowns, and writeoffs of tangible and intangible assets; gains (losses) from the sale or other dispositions of capital assets; and gains (losses) from the sale or other dispositions of financial assets, including securities, to the extent not included above. EXCLUDE legal judgments. Report legal judgments against the U.S. affiliate on line 60. Report legal settlements in favor of the U.S. affiliate on line 58.<br>**h.** The cumulative effect of a change in accounting principle; and<br>**i.** Change in accounting estimate of provision for expected stock option forfeitures under the inception method as defined by FAS 123. | 2151 | 1 $ |
| **58. Other income —** Legal settlements in favor of the U.S. affiliate, nonoperating, and other income not included above. — *Specify major items* | 2152 | 1 $ |
| **59. TOTAL INCOME** — *Sum of items 55 through 58* | 2153 | 1 $ |
| • COSTS AND EXPENSES<br>**60. Cost of goods sold or services rendered, and selling, general, and administrative expenses —** Operating expenses that relate to sales or gross operating revenues, item 55, and selling, general, and administrative expenses. INCLUDE production royalty payments to governments, their subdivisions and agencies, and to other persons. INCLUDE legal judgments against the U.S. affiliate. INCLUDE depletion charges representing the amortization of the actual cost of capital assets, but EXCLUDE all other depletion charges. EXCLUDE goodwill impairment as defined by FAS 142. Report such impairment losses on line 57 above. For guidance on restructuring costs, see item 57d above. | 2154 | 1 $ |
| **61. Income taxes —** Provision for U.S. Federal, State, and local incomes taxes. Include the income tax effect of certain realized and unrealized gains (losses) reported on line 57. Exclude production royalty payments. | 2156 | |
| **62. Other costs and expenses not included above, including underlying minority interest in profits and losses that arise out of consolidation.** — *Specify major items* | 2157 | 1 |
| **63. TOTAL COSTS AND EXPENSES** — *Sum of items 60 through 62* | 2158 | 1 $ |
| • NET INCOME<br>**64. Net income (loss) after provision for U.S. Federal, State, and local income taxes —** *Item 59 minus item 63* | 2159 | 1 $ |
| **Section C — CHANGE IN RETAINED EARNINGS (DEFICIT) —** If retained earnings (deficit) is not shown as a separate account, show change in total owners' equity.<br>**65. Balance, close FY ended in 2005 before restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles, if any —** Enter amount from item 50, column (2); if retained earnings (deficit) is not shown as a separate account, enter amount from item 54, column (2). | 2211 | 1 $ |
| **66. Increase (decrease) due to restatement of FY 2005 closing balance.** — *Specify reason(s) for change* | 2212 | 1 |
| **67. FY 2005 closing balance as restated —** *Item 65 plus item 66.* | 2213 | 1 $ |
| **68. Net income (loss) —** *Enter amount from item 64.* | 2214 | 1 |
| **69. Dividends or earnings distributed —** Incorporated affiliate, enter amount of dividends declared, inclusive of withholding taxes, out of current- or prior-period income, on common and preferred stock, **excluding stock dividends.** Unincorporated affiliate, enter amount of current- or prior-period net income distributed to owners. | 2215 | 1 |
| **70. Other increases (decrease) in retained earnings (deficit), including stock or liquidating dividends, or in total owners' equity if retained earnings (deficit) are not shown as a separate account, including capital contributions (return of capital).** — *Specify* | 2217 | 1 |
| **71. FY 2006 closing balance —** *Sum of items 67, 68, and 70 minus item 69; also must equal item 50 column (1) if retained earnings (deficit) is shown as a separate account, or item 54, column (1) if retained earnings (deficit) is NOT shown as a separate account.* | 2218 | 1 $ |

***Report all amounts in thousands of U.S. dollars.***

### Section D — DISTRIBUTION OF SALES OR GROSS OPERATING REVENUES

Distribute sales or gross operating revenues among three categories — sales of goods, sales of services, and investment income. For the purpose of this distribution, "goods" are normally outputs that are tangible and "services" are normally outputs that are intangible. When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify the sales as goods or services based on whichever accounts for a majority of the value. Give best estimates if actual figures are not available.

**NOTE — BEFORE COMPLETING THIS SECTION, PLEASE SEE THE INSTRUCTIONS FOR ITEMS 72 THROUGH 79 STARTING ON PAGE 25.** Insurance companies also see page 26, V.A. for special instructions.

**Utilities and Oil & Gas Producers and Distributors —** To the extent feasible, revenues are to be allocated between sales of goods and sales of services. Revenues earned from the sale of a product (e.g., electricity, natural gas, oil, water, etc.) are to be reported as sales of goods. Revenues earned from the distribution or transmission of a product (e.g., fees received for the use of transmission lines, pipelines, etc.) are to be reported as sales of services.

| Item | Code | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|---|
| **72. TOTAL SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES —** ***Equals item 55, and also sum of items 73 through 75*** → | 2243 | 1 $ |
| **73. Sales of Goods** | 2244 | 1 $ |
| **74. Investment income included in gross operating revenues (e.g., dividends and interest generated by finance and insurance subsidiaries or units)** | 2245 | 1 $ |
| **75. Sales of Services, Total —** *Sum of items 76 through 79* → | 2246 | 1 $ |
| **76. To U.S. persons** | 2247 | 1 |
| **77. To foreign parent(s) and foreign affiliates of the foreign parent(s) of this U.S. affiliate.** See items II. L through II. N on page 23 for definitions of foreign parent and foreign affiliates of foreign parent. | 2248 | 1 |
| **78. To foreign affiliates owned by this U.S. affiliate** | 2249 | 1 |
| **79. To other foreign persons** | 2250 | 1 |

### Section E — EMPLOYEE COMPENSATION

**EMPLOYEE COMPENSATION —** Base compensation on payroll records. Employee compensation must cover compensation charged as an expense on the income statement, charged to inventories, or capitalized during the reporting period. EXCLUDE compensation related to activities of a prior period, such as compensation capitalized or charged to inventories in prior periods. See instructions 80–82 on page 26 for more detailed definitions of wages and salaries and employee benefit plans.

| Item | Code | Amount for all employees (1) Bil. Mil. Thous. Dols. |
|---|---|---|
| **80. Wages and salaries —** Employees' gross earnings (before payroll deductions), and all direct and in-kind payments by the employer to employees. | 2251 | 1 $ |
| **81. Employee benefit plans —** Employer expenditures for all employee benefit plans, including those required by government statute, such as employer's Social Security taxes, those resulting from collective bargaining contracts, and those that are voluntary. | 2252 | 1 |
| **82. TOTAL EMPLOYEE COMPENSATION —** *Sum of items 80 and 81* → | 2253 | 1 $ |

| **Section F – COMPOSITION OF EXTERNAL FINANCES OF U.S. AFFILIATE** <br> **CLOSE FY 2006** | Code | **Total** *Equals sum of columns (2)–(4)* (1) Bil. Mil. Thous. Dols. | With foreign parent(s) and foreign affiliates of the foreign parent(s) (2) Bil. Mil. Thous. Dols. | With other foreign persons, including foreign affiliates owned by this U.S. affiliate (3) Bil. Mil. Thous. Dols. | With U.S. persons (4) Bil. Mil. Thous. Dols. |
|---|---|---|---|---|---|
| **83. Current liabilities and long-term debt –** *Column (1) must equal item 46, column (1).* | 2254 | 1 $ | 2 $ | 3 $ | 4 $ |
| **84. Current and noncurrent receivables —** *Column (1) must equal item 39a, column (1), and that* ***part*** *of item 44, column (1), that is noncurrent receivables.* **NOTE —** Include certificates of deposit and other deposits held by the foreign parent(s) or foreign affiliates of the foreign parent(s) that would otherwise be included in cash, item 38. (See Note in item 38.) | 2256 | 1 $ | 2 $ | 3 $ | 4 $ |

### Section G — LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT

Land and other property, plant, and equipment includes all land and other property, plant, and equipment carried anywhere on the U.S. affiliate's balance sheet, whether or not with the intent of holding and actively using the asset in the operating activity of the business. **Land** refers to any part of the earth's surface. Include land being leased from others under capital leases. **Other property, plant, and equipment includes:** Timber, mineral and like rights owned; all structures, machinery, equipment, special tools, and other depreciable property; construction in progress; capitalized tangible and intangible exploration and development costs, and the capitalized value of timber, mineral, and like rights leased by the affiliate from others under capital leases. These items may be carried in property, plant, and equipment (item 43), in other noncurrent assets (item 44), or in other current assets (item 41).

Exclude items that the affiliate has sold on a capital lease basis.

| Item | Code | Gross book value of all land and other property, plant, and equipment at historical cost *(Include mineral rights)* (2) Bil. Mil. Thous. Dols. |
|---|---|---|
| **85. TOTAL LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT AT CLOSE OF FY 2006 —** ***Must equal item 97 and item 107 column (5)*** | 2354 | 2 $ |

| Item | Code | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|---|
| **86. Gross book value of land owned —** The portion of item 85, that is the gross book value of land owned. Include undeveloped and agricultural land, and also the value of land you own that is located under developed properties such as office buildings, apartment buildings, retail buildings, etc. If your accounting and reporting systems do not separately account for land and building components when buildings sit upon land that you own, provide your best estimate of the gross book value of the land owned. | 2356 | 1 $ |

## PART II – FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE – Continued

***Report all amounts in thousands of U.S. dollars.***

### Section G – LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT – Continued

**SCHEDULE OF CHANGE FROM FY 2005 CLOSING BALANCES TO FY 2006 CLOSING BALANCES**

| Item | Code | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|---|
| • BALANCES AT CLOSE FY 2005, BEFORE RESTATEMENT DUE TO A CHANGE IN THE ENTITY | | |
| **87. Net book value of all land and other property, plant, and equipment, wherever carried on the balance sheet** | 2386 | 1 $ |
| • CHANGES DURING FY 2006<br>**88. Give amount by which the net book value in item 87 would be restated due to a change in entity (i.e., due to the acquisition of or merger with another company, or the divestiture of a subsidiary, etc.), if the answer to item 5, 10, or 11 was "Yes," or due to a change in accounting methods or principles.** If a decrease, put amount in parentheses. Report in item 57 any gains (losses) resulting from the sale or disposition of U.S. affiliates, and from asset impairments as defined in FAS 144. | 2387 | 1 |
| **Expenditures –** Expenditures cover all purchases by, or transfers to, the U.S. affiliate of land and other property, plant, and equipment. **Exclude** all changes in land and other property, plant, and equipment caused by a change in the entity (i.e., due to the acquisition of or merger with another company, etc.) or by a change in accounting methods or principles during your 2006 fiscal year; include such changes in item 88 above.<br>**Expenditures by the U.S. affiliate for, or transfers into the U.S. affiliate of,**<br>**89. Land –** Report expenditures for land except land held for resale. Report land held for resale in item 92. | 2388 | 1 |
| **90. Mineral rights, including timber –** Report capitalized expenditures to acquire mineral and timber rights. Exclude capitalized expenditures for the exploration and development of natural resources. Include those items in 91 or 92. | 2389 | 1 |
| **91.** / **92.** **Property, plant, and equipment other than land and mineral rights** (Exclude changes due to mergers and acquisitions. Report them in item 88.) *If it is burdensome to report separate amounts for new and used plant and equipment, etc., then report material amounts for used items in 92 and amounts for new items and immaterial used items in 91.* — **91.** New | 2390 | 1 |
| **92.** Used | 2391 | 1 |
| **93. Depreciation and depletion** | 2392 | 1 |
| **94. Net book value of sales, retirements, impairments or transfers out of assets defined for inclusion in this section, and other decreases (increases) —** Report amounts relating to the divestiture of U.S. affiliates in item 88. Include in item 57 any gains (losses) resulting from the sale or disposition of property, plant, and equipment. — *Specify major items* | 2394 | 1 |
| • BALANCES AT CLOSE FY 2006<br>**95. Net book value —** *Sum of items 87 through 92, minus sum of items 93 and 94.* | 2395 | 1 |
| **96. Accumulated depreciation and depletion.** | 2396 | 1 |
| **97. Gross book value of all land and other property, plant, and equipment, wherever carried on the balance sheet —** *Sum of items 95 and 96; must also equal item 85 and item 107, column (5).* | 2397 | 1 $ |
| • ADDENDUM<br>**98. Expensed petroleum and mining exploration and development expenditures —** Include expensed expenditures to acquire or **lease** mineral rights. Exclude expenditures that are capitalized and expenditures made in prior years that are reclassified in the current year; such expenditures are considered to be expenditures only in the year when initially expended. | 2398 | 1 $ |

### Section H — INTEREST AND TAXES

| Item | Code | Amount (1) Bil. Mil. Thous. Dols. |
|---|---|---|
| **99. Interest income from all sources (including foreign parents and affiliates), after deduction of taxes withheld at the source.** Do not net against interest expense (item 100.) | 2400 | 1 $ |
| **100. Interest expense plus interest capitalized, paid or due to all payees (including to foreign parents and affiliates), before deduction of U.S. tax withheld by the affiliate.** Do not net against interest income (item 99.) | 2401 | 1 $ |
| **101. Other taxes** and non-tax payments (EXCLUDING income and payroll taxes) — Amount paid or accrued for the year, net of refunds or credits, to U.S. Federal, State, and local governments, their subdivisions and agencies for —<br>• Sales, consumption, and excise taxes **collected by you on goods and services you sold**<br>• Premium taxes paid by insurance companies<br>• Property and other taxes on the value of assets and capital<br>• Any remaining taxes (other than income and payroll taxes)<br>• Non-tax liabilities (other than for purchases of goods and services) such as —<br>  • Import and export duties<br>  • Production royalties for natural resources<br>  • License fees, fines, penalties, and similar items | 2402 | 1 $ |

### Section I — TECHNOLOGY

| Item | Code | Amount (1) |
|---|---|---|
| **Research and development (R&D) expenditures –** Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, overhead — whether or not allocated to others — and all other indirect costs. *See instructions 102–103 on page 26 for more details of what to include on this line.*<br>**102. R&D performed BY the U.S. affiliate —** Exclude the cost of R&D funded by the U.S. affiliate but performed by others. | 2403 | 1 $ |
| | | **Number (1)** |
| **103. Research and development employees —** All employees engaged in R&D, including managers, scientists, engineers, and other professional and technical employees. *See instructions 102–103 on page 26 for details of what to include on this line.* | 2409 | 1 |

| BEA USE ONLY | 2404 | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| | | | | | | |

## Section J — EXPORTS AND IMPORTS OF U.S. AFFILIATE — GOODS ONLY, DO NOT INCLUDE SERVICES (software publishers see discussion below under packaged general use computer software)

## INSTRUCTIONS FOR PAGE 13 →

**IMPORTANT NOTES —** Report U.S. trade in goods during the fiscal year that ended in calendar year 2006. Report exports and imports of all goods that physically left or entered the U.S. customs area. Report amounts on a "shipped" basis, i.e., on the basis of when, where, and to (or by) whom the goods were shipped. This is the same basis as official U.S. Trade statistics to which these amounts will be compared. DO NOT report on the "charged" basis. DO NOT record a U.S. import or U.S. 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 U.S. affiliate by, or charged by the U.S. affiliate to, a foreign person.

U.S. affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when, where, 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. However, if there is a material difference, the "shipped" basis must be used or adjustments made to the amounts on a "charged" basis to approximate a "shipped" basis. To do this, the U.S. affiliate may have to derive the data from export and import declarations filed with U.S. customs or from shipping and receiving documents, rather than from accounting records, or may have to otherwise adjust its data from a "charged" to a "shipped" basis.

Differences between the "charged" and "shipped" basis may be substantial. A major difference arises when a U.S. affiliate buys goods in foreign country A and sells them in foreign country B. Because the goods did not physically enter or leave the United States, they are not U.S. trade. However, when the U.S. affiliate records the transactions on its books, it would show a purchase charged to it from country A and a sale charged by it to country B. If the U.S. affiliate's trade data in this survey were prepared on the "charged" basis, the purchase and sale would appear incorrectly as a U.S. import and U.S. export, respectively. Other differences arise when the U.S. affiliate charges the sale of its products to a foreign parent, but ships the goods directly from the United States to an unaffiliated foreign person. If the data are on the "shipped" basis, this should be a U.S. export to an unaffiliated foreign person, not to the foreign parent.

**Definition of U.S. trade in goods —** The phrases "U.S. trade in goods," "U.S. goods exports," and "U.S. goods imports" refer to physical movements of goods between the customs area of the United States and the customs area of a foreign country.

**Timing —** Only include goods actually shipped between the United States and a foreign country during FY 2006 regardless of when the goods were charged or consigned. For example, include goods shipped by the U.S. affiliate in FY 2006 that were charged or consigned in FY 2007, but exclude goods shipped in FY 2005 that were charged or consigned in FY 2006.

**Trade of the U.S. affiliate —** Goods shipped by, or to, the U.S. affiliate whether or not they were actually charged or consigned by, or to, the U.S. affiliate, are considered to be trade of the U.S. affiliate.

**By (or to) whom the goods were shipped –** Shipment by, or to, an entity refers to the physical movement of merchandise to or from the U.S. customs area by, or to, that entity regardless of by, or to, whom the goods were charged or consigned. For example, if the U.S. affiliate charges goods to a foreign parent but ships the goods to an unaffiliated foreign person, record the goods as U.S. goods exports by the U.S. affiliate to the unaffiliated foreign person.

Goods shipped by an independent carrier or a freight forwarder to or from the United States at the expense of a U.S. affiliate are shipments by the U.S. affiliate.

**Valuation of exports and imports —** Value U.S. goods exports and imports f.a.s. (free alongside ship) at the port-of-exportation. This includes all costs incurred up to the point of loading the goods aboard the export carrier at the U.S. or foreign port of exportation, including the selling price at the interior point of shipment (or cost if not sold), packaging cost, and inland freight and insurance. It excludes all subsequent costs such as loading costs, U.S. and foreign import duties, and freight and insurance from the port of exportation to the port of entry.

**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.

**Capital goods —** Include capital goods (e.g., manufacturing equipment used to produce goods for sale) but exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or merchandise.

**In-transit goods —** Exclude the value of any in-transit goods. 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 those countries only because those countries are along the shipping lines between the exporting and importing countries. In-transit goods are goods that are en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and 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., including both the value of the media on which the software is recorded **and** the value of the information contained on the media. EXCLUDE receipts or payments for customized software designed to meet the needs of a specific user. This type of software is considered a service and should **not** be reported as trade in goods. EXCLUDE receipts and payments for software that is transmitted electronically rather than physically shipped. Also EXCLUDE negotiated licensing fees for software to use on networks.

**Natural gas distribution —** INCLUDE the value of natural gas that is exported or imported as trade in goods. However, EXCLUDE natural gas that you do not produce or sell, but simply transmit for others via a pipeline.

**Electricity and water —** Report the value of electricity and water exports and imports if the product value can be separated out from the service value. Report ONLY the product value (electricity and water). DO NOT report the service value (transmission and distribution).

***Report all amounts in thousands of U.S. dollars.***

**Section J — EXPORTS AND IMPORTS OF U.S. AFFILIATE — GOODS ONLY, DO NOT INCLUDE SERVICES (software publishers see discussion on page 12 under packaged general use computer software)**

***PLEASE REVIEW THE INSTRUCTIONS ON PAGE 12.***

| | TOTAL (1) | Shipped to (by) foreign parent(s) and its (their) foreign affiliates (2) | Shipped to (by) foreign affiliates owned by this U.S. affiliate (3) | Shipped to (by) all other foreign persons (4) |
|---|---|---|---|---|
| | Bil. Mil. Thous. \| Dols. | Bil. Mil. Thous. \| Dols. | Bil. Mil. Thous. \| Dols. | Bil. Mil. Thous. \| Dols. |
| **104. Exports of U.S. affiliate to foreign persons —** Shipped by U.S. affiliate to foreign persons (valued f.a.s. U.S. port). 2502 | 1 $ | 2 $ | 3 $ | 4 $ |
| **105. Imports of U.S. affiliate from foreign persons —** Shipped to U.S. affiliate by foreign persons (valued f.a.s. foreign port). 2515 | 1 $ | 2 $ | 3 $ | 4 $ |
| **BY INTENDED USE:** **106. The portion of item 105, column 1, that is imports of goods intended for further processing, assembly, or manufacture by this U.S. affiliate before resale to others.** 2530 | 1 $ | 1 ☐ 2 **Please check box if "goods intended for further processing assembly, or manufacture" are zero.** | | |

Remarks

**Section K — SCHEDULE OF EMPLOYMENT AND PROPERTY, PLANT, AND EQUIPMENT, BY LOCATION**

## INSTRUCTIONS FOR PAGE 15 →

The Schedule of Employment and Property, Plant, and Equipment, by Location covers the 50 States, the District of Columbia, and all territories and possessions of the United States. Include in this schedule only amounts pertaining to those U.S. business enterprises that are fully consolidated into the reporting U.S. affiliate. Do not consolidate or include amounts for foreign business enterprises or operations, whether incorporated or unincorporated.

**Location** of employees or of an asset is the U.S. State, territory, or possession in which the person is permanently employed, or in which the land or other property, plant, and equipment is physically located and to which property taxes, if any, on such assets are paid.

Example: An employee carried on the payroll of a company located in California who is on a duty assignment for one year or less in Texas should be shown as being located in California, not Texas.

Exception: If the duty assignment is for more than one year, show the employee as being located in Texas, not California.

**Column (3) —** INCLUDE all employees on the payroll at the end of the fiscal year that ended in calendar year 2006, including part-time employees. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of the number on the payroll at the end of the fiscal year.

**Employment** is the number of full-time and part-time employees on the payroll at the end of FY 2006, excluding contract workers and other workers not carried on the payroll of this U.S. affiliate. If employment at the end of FY 2006 or the count taken at some other time during FY 2006, was unusually high or low because of temporary factors (e.g., a strike), give the number of employees that reflects normal operations. If the business enterprise's activity involves large seasonal variations, give the average number of employees for FY 2006. If given, the average should be the average for FY 2006 of the number of persons on the payroll at the end of each payroll period, month, or quarter. If precise figures are not available, give your best estimate.

**Column (4) —** INCLUDE all employees on the payrolls of operating manufacturing plants in the state. INCLUDE administrative office and other auxiliary employees located at an operating plant and who serve only that plant. EXCLUDE employees on the payrolls of administrative offices or other auxiliary units reported on page 6, line 31, column 3.

**Column (5) —** INCLUDE land and other property, plant, and equipment, whether carried as investments, in fixed asset accounts, or in other balance sheet accounts. INCLUDE land held for resale, held for investment purposes, and all other land owned. INCLUDE property you own that you lease to others under operating leases. INCLUDE land and other property, plant, and equipment on capital leases from others, but EXCLUDE that on capital leases to others.

Value land and other property, plant, and equipment at historical cost before allowances for depreciation or depletion.

**Column (6) —** INCLUDE the gross book value of commercial property you own, and commercial property you use or operate that is leased from others under a capital lease. Commercial property INCLUDES ALL buildings and associated land leased or rented to others under operating leases. Commercial property INCLUDES apartment buildings; office buildings; hotels; motels; and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations. INCLUDE the value of land associated with these buildings. INCLUDE office buildings and associated land owned by industrial companies NOT located at industrial sites. EXCLUDE furniture and equipment located at commercial property. EXCLUDE property you use for agricultural, mining, manufacturing, or other industrial purposes (such as water and sewage treatment, electric power generation, and other utility plants), property you use to support these activities, such as research labs and warehouses, and office buildings located at industrial sites. Also EXCLUDE educational buildings, hospitals, nursing homes, institutional buildings, and all undeveloped land.

**161. U.S. offshore oil and gas sites –** Report offshore oil and gas sites located within U.S. claimed territorial waters. For offshore oil and gas sites located outside U.S. claimed territorial waters, see item 163e below.

**163. Foreign —** Except as noted below, do not include employees, land, and other property, plant, and equipment, located outside of the United States on line 163 or elsewhere on the Schedule of Employment and Property, Plant, and Equipment, By Location.

- **a.** Employees normally located in the United States who are on a temporary duty assignment outside of the country for one year or less should be reported in the U.S. state, territory, or possession where they are normally located.
- **b.** Employees normally located in the United States who are on a duty assignment outside of the country for more than one year and carried on the payroll of the domestic U.S. affiliate should be reported on line 163. Exclude these employees from the BE-15 report if they are carried on a foreign payroll.
- **c.** Real estate located outside the United States that is owned by the U.S. affiliate and carried on its books but which generates no revenues for, or reimbursements to, the U.S. affiliate should be reported on line 163. Real estate located outside the United States that generates revenues for, or reimbursements to, the U.S. affiliate, or that facilitates the foreign operations of the U.S. affiliate is a foreign subsidiary and should not be consolidated on this BE-15 report.
- **d.** Machinery and similar equipment located outside the United States that are owned by the domestic U.S. affiliate and carried on its books should be reported on line 163. However, machinery or equipment that frequently switches locations, such as aircraft, railroad rolling stock, ships of U.S. registry, or vehicles should be reported as "Other property, plant, and equipment" on line 164.
- **e.** Use the "foreign" line to report oil and gas sites that (1) are owned by U.S. affiliates; (2) are located outside of U.S. claimed territorial waters; (3) are **not** incorporated in a foreign country; (4) are **not** organized as a branch; **and** (5) do **not** otherwise have a physical presence in a foreign country as evidenced by plant and equipment or employees located in a foreign country.
- **f.** Use the category "foreign" to report communication channels that physically exist (i.e., are tangible) that are (1) located outside of the United States, (2) owned by the U.S. affiliate, and (3) carried directly on the U.S. affiliate's book (i.e., not carried on the books of a foreign affiliate owned by the U.S. affiliate).

**164. Other property, plant, and equipment —** Use this line to report (1) items that frequently switch locations such as aircraft, railroad rolling stock, ships of U.S. registry, and vehicles engaged in interstate transportation, (2) items such as pipelines, fiber optic cable, power lines, etc., located in more than one state that cannot be allocated among specific states, (3) satellites, and undersea cable, and (4) property leased to others, except land or buildings, under operating leases. Also, include here machinery and equipment that frequently switch locations, located outside the United States, that are owned by the domestic U.S. affiliate, and carried on its books.

## Section K — SCHEDULE OF EMPLOYMENT AND PROPERTY, PLANT, AND EQUIPMENT, BY LOCATION

◄——— ***PLEASE REVIEW THE INSTRUCTIONS ON PAGE 14.***

| LOCATION | State code (2) | Number of employees at the end of FY 2006 — *Total must equal item 34, column (3).* (3) Number | The portion of employees in column (3) that are manufacturing employees (4) Number | Gross book value (historical cost) of all land and other property, plant, and equipment wherever carried on balance sheet, FY 2006 closing balance. *Must equal item 85 and item 97* (5) Bil. Mil. Thous. | The portion of column (5) that is commercial property (6) Bil. Mil. Thous. |
|---|---|---|---|---|---|
| **107. TOTAL for each column must equal sum of items 108 through 164** 2700 | | 3 | 4 | 5 $ | 6 $ |
| **108.** Alabama 2701 | 2 **01** | 3 | 4 | 5 | 6 |
| **109.** Alaska 2702 | 2 **02** | 3 | 4 | 5 | 6 |
| **110.** Arizona 2703 | 2 **04** | 3 | 4 | 5 | 6 |
| **111.** Arkansas 2704 | 2 **05** | 3 | 4 | 5 | 6 |
| **112.** California 2705 | 2 **06** | 3 | 4 | 5 | 6 |
| **113.** Colorado 2706 | 2 **08** | 3 | 4 | 5 | 6 |
| **114.** Connecticut 2707 | 2 **09** | 3 | 4 | 5 | 6 |
| **115.** Delaware 2708 | 2 **10** | 3 | 4 | 5 | 6 |
| **116.** Florida 2709 | 2 **12** | 3 | 4 | 5 | 6 |
| **117.** Georgia 2710 | 2 **13** | 3 | 4 | 5 | 6 |
| **118.** Hawaii 2711 | 2 **15** | 3 | 4 | 5 | 6 |
| **119.** Idaho 2712 | 2 **16** | 3 | 4 | 5 | 6 |
| **120.** Illinois 2713 | 2 **17** | 3 | 4 | 5 | 6 |
| **121.** Indiana 2714 | 2 **18** | 3 | 4 | 5 | 6 |
| **122.** Iowa 2715 | 2 **19** | 3 | 4 | 5 | 6 |
| **123.** Kansas 2716 | 2 **20** | 3 | 4 | 5 | 6 |
| **124.** Kentucky 2717 | 2 **21** | 3 | 4 | 5 | 6 |
| **125.** Louisiana 2718 | 2 **22** | 3 | 4 | 5 | 6 |
| **126.** Maine 2719 | 2 **23** | 3 | 4 | 5 | 6 |
| **127.** Maryland 2720 | 2 **24** | 3 | 4 | 5 | 6 |
| **128.** Massachusetts 2721 | 2 **25** | 3 | 4 | 5 | 6 |
| **129.** Michigan 2722 | 2 **26** | 3 | 4 | 5 | 6 |
| **130.** Minnesota 2723 | 2 **27** | 3 | 4 | 5 | 6 |
| **131.** Mississippi 2724 | 2 **28** | 3 | 4 | 5 | 6 |
| **132.** Missouri 2725 | 2 **29** | 3 | 4 | 5 | 6 |
| **133.** Montana 2726 | 2 **30** | 3 | 4 | 5 | 6 |
| **134.** Nebraska 2727 | 2 **31** | 3 | 4 | 5 | 6 |
| **135.** Nevada 2728 | 2 **32** | 3 | 4 | 5 | 6 |
| **136.** New Hampshire 2729 | 2 **33** | 3 | 4 | 5 | 6 |
| **137.** New Jersey 2730 | 2 **34** | 3 | 4 | 5 | 6 |
| **138.** New Mexico 2731 | 2 **35** | 3 | 4 | 5 | 6 |
| **139.** New York 2732 | 2 **36** | 3 | 4 | 5 | 6 |
| **140.** North Carolina 2733 | 2 **37** | 3 | 4 | 5 | 6 |
| **141.** North Dakota 2734 | 2 **38** | 3 | 4 | 5 | 6 |
| **142.** Ohio 2735 | 2 **39** | 3 | 4 | 5 | 6 |
| **143.** Oklahoma 2736 | 2 **40** | 3 | 4 | 5 | 6 |
| **144.** Oregon 2737 | 2 **41** | 3 | 4 | 5 | 6 |
| **145.** Pennsylvania 2738 | 2 **42** | 3 | 4 | 5 | 6 |
| **146.** Rhode Island 2739 | 2 **44** | 3 | 4 | 5 | 6 |
| **147.** South Carolina 2740 | 2 **45** | 3 | 4 | 5 | 6 |
| **148.** South Dakota 2741 | 2 **46** | 3 | 4 | 5 | 6 |
| **149.** Tennessee 2742 | 2 **47** | 3 | 4 | 5 | 6 |
| **150.** Texas 2743 | 2 **48** | 3 | 4 | 5 | 6 |
| **151.** Utah 2744 | 2 **49** | 3 | 4 | 5 | 6 |
| **152.** Vermont 2745 | 2 **50** | 3 | 4 | 5 | 6 |
| **153.** Virginia 2746 | 2 **51** | 3 | 4 | 5 | 6 |
| **154.** Washington 2747 | 2 **53** | 3 | 4 | 5 | 6 |
| **155.** West Virginia 2748 | 2 **54** | 3 | 4 | 5 | 6 |
| **156.** Wisconsin 2749 | 2 **55** | 3 | 4 | 5 | 6 |
| **157.** Wyoming 2750 | 2 **56** | 3 | 4 | 5 | 6 |
| **158.** District of Columbia 2751 | 2 **11** | 3 | 4 | 5 | 6 |
| **159.** Puerto Rico 2752 | 2 **43** | 3 | 4 | 5 | 6 |
| **160.** Virgin Islands 2753 | 2 **52** | 3 | 4 | 5 | 6 |
| **161.** U.S. offshore oil and gas sites – *See instruction 161 on page 14.* 2756 | 2 **65** | 3 | 4 | 5 | 6 |
| **162.** Other U.S. areas – includes Guam, American Samoa, and all other territories and possessions not separately listed 2754 | 2 **60** | 3 | 4 | 5 | 6 |
| **163.** Foreign – *See instruction 163 on page 14.* 2758 | 2 **70** | 3 | 4 | 5 | 6 |
| **164.** Other property, plant and equipment – *See instruction 164 on page 14.* 2759 | 2 **71** | | | 5 | |

**REMARKS –** *Please use this space for any explanation that may be essential in understanding your reported data.*

FORM **BE-15(LF) Supplement A (2006)**
(REV. 11/2006)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

**BEA USE ONLY** | Page number

Name of U.S. affiliate as shown on page 1 of BE-15(LF)

## LIST OF ALL U.S. AFFILIATES FULLY CONSOLIDATED INTO THE REPORTING U.S. AFFILIATE

NOTE – If you filed a Supplement A or a computer printout of Supplement A with your 2005 BE-15 report, in lieu of completing a new Supplement A, you may substitute a copy of that Supplement A or computer printout updated to show any additions, deletions, or other changes.

Supplement A must be completed by a reporting affiliate that consolidates financial and operating data of any other U.S. affiliate(s). The number of U.S. affiliates listed below plus the reporting U.S. affiliate must agree with item 7, Part I of BE-15(LF). Continue listing onto as many additional copied pages as necessary.

Primary Employer Identification Number as shown in item 3, Part I of BE-15(LF) 5110 1 –

| BEA USE ONLY (1) | Name of each U.S. affiliate consolidated (as represented in item 7, Part I) (2) | Employer Identification Number used by U.S. affiliate named in column (2) to file income and payroll taxes (3) | Name of U.S. affiliate which holds the direct ownership interest in the U.S. affiliate named in column (2) (4) | Percentage of direct voting ownership that the U.S. affiliate named in column (4) holds in the U.S. affiliate named in column (2). – *Enter percentage to nearest tenth.* (5) |
|---|---|---|---|---|
| 5111 1 | 2 | 3 – | 4 | 5 . % |
| 5112 1 | 2 | 3 – | 4 | 5 . % |
| 5113 1 | 2 | 3 – | 4 | 5 . % |
| 5114 1 | 2 | 3 – | 4 | 5 . % |
| 5115 1 | 2 | 3 – | 4 | 5 . % |
| 5116 1 | 2 | 3 – | 4 | 5 . % |
| 5117 1 | 2 | 3 – | 4 | 5 . % |
| 5118 1 | 2 | 3 – | 4 | 5 . % |
| 5119 1 | 2 | 3 – | 4 | 5 . % |
| 5120 1 | 2 | 3 – | 4 | 5 . % |
| 5121 1 | 2 | 3 – | 4 | 5 . % |
| 5122 1 | 2 | 3 – | 4 | 5 . % |
| 5123 1 | 2 | 3 – | 4 | 5 . % |
| 5124 1 | 2 | 3 – | 4 | 5 . % |
| 5125 1 | 2 | 3 – | 4 | 5 . % |
| 5126 1 | 2 | 3 – | 4 | 5 . % |
| 5127 1 | 2 | 3 – | 4 | 5 . % |
| 5128 1 | 2 | 3 – | 4 | 5 . % |
| 5129 1 | 2 | 3 – | 4 | 5 . % |
| 5130 1 | 2 | 3 – | 4 | 5 . % |
| 5131 1 | 2 | 3 – | 4 | 5 . % |
| 5132 1 | 2 | 3 – | 4 | 5 . % |
| 5133 1 | 2 | 3 – | 4 | 5 . % |

Page number

| BEA USE ONLY (1) | Name of each U.S. affiliate consolidated (as represented in item 7, Part I) (2) | Employer Identification Number used by U.S. affiliate named in column (2) to file income and payroll taxes (3) | Name of U.S. affiliate which holds the direct ownership interest in the U.S. affiliate named in column (2) (4) | Percentage of direct voting ownership that the U.S. affiliate named in column (4) holds in the U.S. affiliate named in column (2). – *Enter percentage to nearest tenth.* (5) |
|---|---|---|---|---|
| 5134 1 | 2 | 3 – | 4 | 5 . % |
| 5135 1 | 2 | 3 – | 4 | 5 . % |
| 5136 1 | 2 | 3 – | 4 | 5 . % |
| 5137 1 | 2 | 3 – | 4 | 5 . % |
| 5138 1 | 2 | 3 – | 4 | 5 . % |
| 5139 1 | 2 | 3 – | 4 | 5 . % |
| 5140 1 | 2 | 3 – | 4 | 5 . % |
| 5141 1 | 2 | 3 – | 4 | 5 . % |
| 5142 1 | 2 | 3 – | 4 | 5 . % |
| 5143 1 | 2 | 3 – | 4 | 5 . % |
| 5144 1 | 2 | 3 – | 4 | 5 . % |
| 5145 1 | 2 | 3 – | 4 | 5 . % |
| 5146 1 | 2 | 3 – | 4 | 5 . % |
| 5147 1 | 2 | 3 – | 4 | 5 . % |
| 5148 1 | 2 | 3 – | 4 | 5 . % |
| 5149 1 | 2 | 3 – | 4 | 5 . % |
| 5150 1 | 2 | 3 – | 4 | 5 . % |
| 5151 1 | 2 | 3 – | 4 | 5 . % |
| 5152 1 | 2 | 3 – | 4 | 5 . % |
| 5153 1 | 2 | 3 – | 4 | 5 . % |
| 5154 1 | 2 | 3 – | 4 | 5 . % |
| 5155 1 | 2 | 3 – | 4 | 5 . % |
| 5156 1 | 2 | 3 – | 4 | 5 . % |
| 5157 1 | 2 | 3 – | 4 | 5 . % |
| 5158 1 | 2 | 3 – | 4 | 5 . % |
| 5159 1 | 2 | 3 – | 4 | 5 . % |

FORM **BE-15(LF) Supplement B (2006)**
(REV. 11/2006)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

**BEA USE ONLY** | Page number

# LIST OF ALL U.S. AFFILIATES IN WHICH THE REPORTING AFFILIATE (AS CONSOLIDATED) HAS A DIRECT OWNERSHIP INTEREST BUT WHICH ARE NOT FULLY CONSOLIDATED

NOTE – If you filed a Supplement B or a computer printout of Supplement B with your 2005 BE-15 report, in lieu of completing a new Supplement B, you may substitute a copy of that Supplement B or computer printout which has been updated to show any additions, deletions, or other changes.

Name of U.S. affiliate as shown on page 1 of BE-15(LF)

Supplement B must be completed by a reporting affiliate that files a Form BE-15(LF) and has a direct ownership interest in a U.S. affiliate(s) that is (are) not fully consolidated. The number of U.S. affiliates listed below must agree with item 8, Part I, of Form BE-15(LF). Continue listing onto as many additional copied pages as necessary.

Primary Employer Identification Number as shown in item 3, Part I of BE-15(LF) 6210 1 –

| **BEA USE ONLY** (1) | Name of each U.S. affiliate in which a direct interest is held but that is not named in Supplement A (2) | Address of each U.S. affiliate named in column (2) *Give number, street, city, State, and ZIP Code* (3) | Has each nonbank affiliate been notified of obligation to file? *Mark (X) one* (4) | Employer Identification Number used by U.S. affiliate named in column (2) to file income and payroll taxes (5) | Percentage of direct voting ownership interest that the fully consolidated U.S. affiliate named on page 1, of this Form BE-15(LF), holds in the U.S. affiliate named in column (2) — *Enter percentage to nearest tenth.* (6) |
|---|---|---|---|---|---|
| 1 6211 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6212 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6213 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6214 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6215 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6216 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6217 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6218 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6219 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6220 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6221 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |

# Form BE-15(LF) Supplement B (2006) – LIST OF U.S. AFFILIATES – Continued

Page number ▶

| BEA USE ONLY (1) | Name of each U.S. affiliate in which a direct interest is held but that is not named in Supplement A (2) | Address of each U.S. affiliate named in column (2) *Give number, street, city, State, and ZIP Code* (3) | Has each nonbank affiliate been notified of obligation to file? *Mark (X) one* (4) | Employer Identification Number used by U.S. affiliate named in column (2) to file income and payroll taxes (5) | Percentage of direct voting ownership interest that the fully consolidated U.S. affiliate named on page 1, of this Form BE-15(LF), holds in the U.S. affiliate named in column (2).– *Enter percentage to nearest tenth.* (6) |
|---|---|---|---|---|---|
| 1 6222 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6223 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6224 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6225 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6226 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6227 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6228 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6229 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6230 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6231 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6232 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6233 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |
| 1 6234 | 2 | 3 | 4 1 ☐ Yes 2 ☐ No | 5 – | 6 . % |

# ANNUAL SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES — 2006
# FORM BE-15(LF) INSTRUCTIONS

**NOTE:** Instructions in section IV. are cross referenced by number to the items located on pages 2 to 20 of this form.

**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).

The publication in the **Federal Register** of the notice implementing this survey is considered legal notice to covered U.S. business enterprises of their obligation to report. Therefore, a response is required from persons subject to the reporting requirements of the BE-15 survey, whether or not they are contacted by BEA. Also, a person contacted by BEA concerning their being subject to reporting, either by sending them a report form or by written inquiry, must respond in writing pursuant to section 806.4 of 15 CFR, Chapter VIII, or must respond electronically using BEA's Automated Survey Transmission and Retrieval (ASTAR) system. This may be accomplished by completing and submitting Form BE-15(LF), BE-15(SF), BE-15(EZ), or BE-15 Supplement C, whichever is applicable, by **May 31, 2007.**

**Respondent Burden –** Public reporting burden for this long form is estimated to vary from 4 to 550 hours per response, with an average of 49 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, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0034, Washington, DC 20503.

## I. REPORTING REQUIREMENTS

To determine which BE-15 report to file, read the following section and section A.1. on this page and review the flow chart on page 22, OR read the following section and sections A.2. through A.5. starting on page 22.

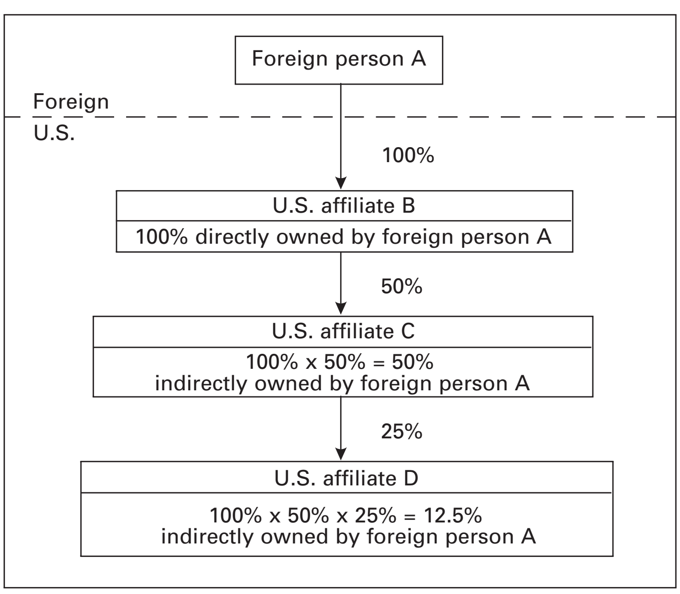
**A. Who must report –** A BE-15 report is required for each nonbank U.S. affiliate, i.e., for each U.S. business enterprise in which a foreign person owned or controlled, directly or indirectly, 10 percent or more of the voting securities if an incorporated U.S. business enterprise, or an equivalent interest if an unincorporated U.S. business enterprise, at the end of the business enterprise's fiscal year that ended in calendar year 2006. Small U.S. affiliates are exempt from filing a Form BE-15(LF), BE-15(SF), or BE-15(EZ). To determine if you are exempt, see I.B. on page 22. Exempt affiliates must file Form BE-15 Supplement C. Following an initial filing, the BE-15 Supplement C is not required annually from those nonbank U.S. affiliates that meet the stated exemption criteria from year to year.

**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.

**Calculation of Foreign Ownership**




A report is required even though the foreign person's voting interest in the U.S. business enterprise may have been 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.

**Real estate –** See instruction V.C. on page 26 for special reporting requirements.

**Airlines 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.

**1. Which form to file –** Please review the questions and flow chart below to determine if your U.S. business is required to file Form BE-15(LF).

**a.** Were at least 10 percent of the voting rights in your business directly or indirectly owned by a foreign person at the end of your 2006 fiscal year? (See II.T. on page 23 for fiscal year 2006 definition).

- ☐ Yes – Continue with question b. **NOTE: Your business is hereinafter referred to as a "U.S. affiliate."**
- ☐ No – You are not required to file Form BE-15(LF). File Form BE-15 Supplement C by May 31, 2007.

**b.** Is this U.S. affiliate a bank or bank holding company?

- ☐ Yes – You are not required to file Form BE-15(LF). File Form BE-15 Supplement C by May 31, 2007.
- ☐ No – Continue with question c.

**c.** Were more than 50 percent of the voting rights in this U.S. affiliate owned by another U.S. affiliate at the end of this U.S. affiliate's 2006 fiscal year.

- ☐ Yes – Continue with question d.
- ☐ No – Skip to question e.

**d.** Does exception e to the consolidation rules apply to you? (The consolidation rules are found in instruction IV.2. starting on page 23.)

- ☐ Yes – Continue with question e.
- ☐ No – This U.S. affiliate must be consolidated on the BE-15 report of the U.S. affiliate that owns it more than 50 percent. File Form BE-15 Supplement C by May 31, 2007, forward this survey packet to the U.S. affiliate that owns this affiliate more than 50 percent, and have them consolidate your data into their report.

**e.** Did **any one** of the items – Total assets, Sales or gross operating revenues, or Net income (loss) – for the U.S. affiliate (not just the foreign parent's share) exceed $30 million at the end of, or for, its 2006 fiscal year?

- ☐ Yes – Continue with question f.
- ☐ No – You are not required to file a Form BE-15(LF). File Form BE-15 Supplement C by May 31, 2007.

**f.** Did you receive a request in writing from BEA to file Form BE-15(EZ)?

- ☐ Yes – File Form BE-15(EZ) by May 31, 2007.
- ☐ No – Continue with question g.

**g.** Was the U.S. affiliate **majority-owned** by its foreign parents at the end of its 2006 fiscal year? (A U.S. affiliate is "majority owned" if the combined direct and indirect ownership interests of **all** foreign parents of the U.S. affiliate exceed 50 percent.)

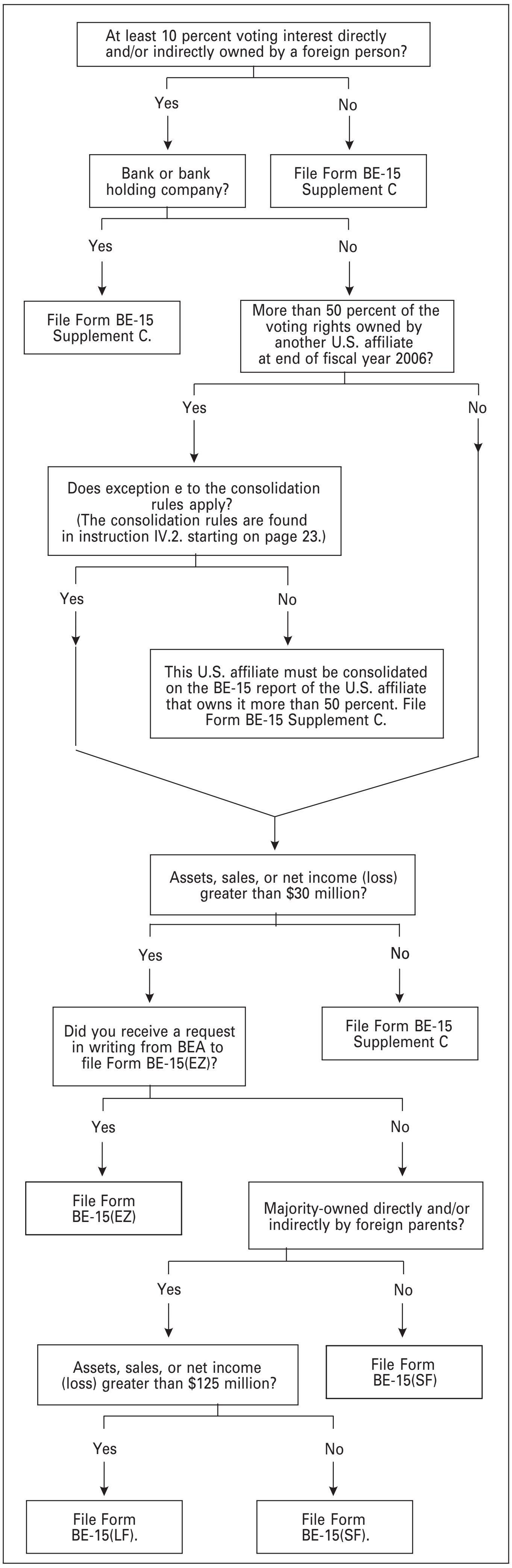
- ☐ Yes – Continue with question h.
- ☐ No – File Form BE-15(SF) by May 31, 2007.

**h.** Did **any one** of the items – Total assets, Sales or gross operating revenues, or Net income (loss) – for the U.S. affiliate (not just the foreign parent's share) exceed $125 million at the end of, or for, its 2006 fiscal year?

- ☐ Yes – File Form BE-15(LF) by May 31, 2007.
- ☐ No – File Form BE-15(SF) by May 31, 2007.

## I. REPORTING REQUIREMENTS – Continued

### Which Form to File?




2. **Form BE-15(LF) – Annual Survey of Foreign Direct Investment in the United States – 2006 (Long Form)**

   A Form BE-15(LF) must be completed and filed by May 31, 2007, by each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2006, if:

   **a.** It is not a bank (Banks and Bank Holding Companies are exempt from filing), **and**

   **b.** The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2006, **exceeded 50 percent** (i.e., the voting securities or equivalent interest were **majority owned** by foreign parents), **and**

   **c.** On a fully consolidated, or, in the case of real estate investments, an aggregated basis, **any one** of the following three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $125 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2006.

3. **Form BE-15(SF) – Annual Survey of Foreign Direct Investment in the United States – 2006 (Short Form)**

   A Form BE-15(SF) must be completed and filed by May 31, 2007, by each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2006, if:

   **a.** It is not a bank (Banks and Bank Holding Companies are exempt from filing), **and**

   **b.** On a fully consolidated, or, in the case of real estate investments, an aggregated basis, **any one** of the following three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $30 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2006, **and** EITHER **c.** OR **d.** below is applicable.

   **c.** The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2006, was **50 percent or less** (i.e., the voting securities, or equivalent interest were **not majority owned** by foreign parents), **or**

   **d.** The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2006, **exceeded 50 percent** (i.e., the voting securities or equivalent interest were **majority owned** by foreign parents), and on a fully consolidated, or, in the case of real estate investments, on an aggregated basis, no one of the following three items – Total assets (do not net out liabilities), **or** Sales or gross operating revenues, excluding sales taxes, **or** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded $125 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2006.

4. **Form BE-15 Supplement C – Annual Survey of Foreign Direct Investment in the United States 2006, Claim for Exemption from Filing Form BE-15(LF), BE-15(SF), or BE-15(EZ).**

   A Form BE-15 Supplement C must be completed and filed no later than May 31, 2007 by

   **a.** Each U.S. business enterprise that was a U.S. affiliate of a foreign person at the end of its fiscal year that ended in calendar year 2006 (whether or not the U.S. affiliate is contacted by BEA concerning its being subject to reporting in the 2006 annual survey), but is exempt (see I.B., below) from filing Form BE-15(LF), BE-15(SF), and BE-15(EZ); and

   **b.** Each U.S. business enterprise that is contacted in writing by BEA concerning its being subject to reporting in the 2006 annual survey but that is not required to file the Form BE-15(LF), BE-15(SF), or BE-15(EZ).

5. **Form BE-15(EZ) – Annual Survey of Foreign Direct Investment in the United States – 2006 (EZ Form).**

   Complete Form BE-15(EZ) ONLY if you have been instructed to do so by BEA.

**B. Exemption –** A U.S. affiliate as consolidated, or aggregated in the case of real estate investments (see I.C. below and V.C. on page 26), is not required to file a Form BE-15(LF), BE-15(SF), or BE-15(EZ) if each of the following three items – Total assets (do not net out liabilities), **and** Sales or gross operating revenues, excluding sales taxes, **and** Net income after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) did not exceed $30 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2006.

If a U.S. business enterprise is a U.S. affiliate but is not required to file a Form BE-15(LF), BE-15(SF), or BE-15(EZ), because it falls below the exemption level, then it must file a Form BE-15 Supplement C, Claim for Exemption from Filing Form BE-15(LF), BE-15(SF), or BE-15(EZ), with item 1 marked and the information requested in item 1 filled in.

**C. Aggregation of real estate investments –** Aggregate all real estate investments of a foreign person for the purpose of applying the reporting criteria. Use a single report form to report the aggregate holdings, unless BEA has granted permission to do otherwise. Those holdings not aggregated must be reported separately. Real estate is discussed more fully in instruction V.C. starting on page 26.

## II. DEFINITIONS

**A. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.

**B. 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.

**C. Person**, means any individual, branch, partnership, association, associated group, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the U.S. Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

**D. Associated group** means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. The following are deemed to be associated groups:

1. Members of the same family.
2. A business enterprise and one or more of its officers or directors
3. Members of a syndicate or joint venture
4. A corporation and its domestic subsidiaries.

**E. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

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

**G. Foreign direct investment in the United States means** the ownership or control, directly or indirectly, by one foreign person of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.

**H. Business enterprise** means any organization, association, branch, or venture which exists for profit making purposes or to otherwise secure economic advantage, and any ownership of any real estate.

**I. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.

**J. 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 percent or more of its voting securities for an incorporated business enterprise or an equivalent interest for an unincorporated business enterprise, including a branch.

**K. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.

1. **Majority-owned U.S. affiliate** means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate exceeds 50 percent.
2. **Minority-owned U.S. affiliate** means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate is 50 percent or less.

**L. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**M. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 percent of the person below it up to and including that person which is not owned more than 50 percent by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 percent by the person above it.

**N. Foreign affiliate of a foreign parent** means, with reference to a given U.S. affiliate, any member of the affiliated foreign group owning the U.S. affiliate that is not a foreign parent of the U.S. affiliate.

**O. U.S. corporation** means a business enterprise incorporated in the United States.

**P. Intermediary** means any agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.

**Q. Ultimate beneficial owner (UBO)** is that person, proceeding up the ownership chain beginning with and including the foreign parent, that is not more than 50 percent owned or controlled by another person. (A person who creates a trust, proxy, power of attorney, arrangement, or device with the purpose or effect of divesting such owner of the ownership of an equity interest as part of a plan or scheme to avoid reporting information, is deemed to be the owner of the equity interest.) Note: Stockholders of a closely or privately held corporation are normally considered to be an associated group and may be a UBO.

**R. Banking** covers business enterprises engaged in deposit banking or closely related functions, including commercial banks, Edge Act corporations engaged in international or foreign banking, foreign branches and agencies of U.S. banks whether or not they accept deposits abroad, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, savings and loans, savings banks, bank holding companies, and financial holding companies under the Gramm-Leach-Bliley Act.

**S. Lease** is an arrangement conveying the right to use property, plant, or equipment (i.e., land and/or depreciable assets), usually for a stated period of time.

1. **Capital lease –** A long-term lease under which a sale of the asset is recognized at the inception of the lease. These may be shown as lease contracts or accounts receivable on the lessor's books. The asset would not be considered as owned by the lessor.
2. **Operating lease –** Generally, a lease with a term which is less than the useful life of the asset and a transfer of ownership is not contemplated.

**T. U.S. affiliate's 2006 fiscal year** is the affiliate's financial reporting year that had an ending date in calendar year 2006.

## III. GENERAL INSTRUCTIONS

**A. Accounting methods and records –** Follow U.S. Generally Accepted Accounting Principles (U.S. GAAP) when preparing the BE-15 report unless otherwise specified by a specific instruction. Prepare reports for unincorporated U.S. business enterprises on an equivalent basis.

**B. Changes in the reporting entity –** DO NOT restate close fiscal year 2005 balances for changes in the consolidated reporting entity that occurred during fiscal year 2006. The close fiscal year 2005 balances should represent the reporting entity as it existed at the close of fiscal year 2005.

**C. Required information not available –** Make all reasonable efforts to obtain the information required for reporting. Answer every question except where specifically exempt. Indicate when only partial information is available.

**D. Estimates –** If actual figures are not available, please provide estimates and label them as such. When items cannot be fully subdivided as required, provide totals and an estimated breakdown of the totals. Certain sections of the Form BE-15(LF) require data that may not normally be maintained in a company's customary accounting records. Precise answers for these items may present the respondent with a substantial burden beyond what is intended by BEA. This may be especially true for:

- **Part I, Items 21 thru 31 –** Number of employees in each industry of sales;
- **Part II, Section D –** Distribution of sales or gross operating revenues, by whether the sales were goods, investment income, or services, and the distribution of sales of services by transactor;
- **Part II, Section J –** Exports and imports of U.S. affiliate on a shipped basis, and
- **Part II, Section K –** Data disaggregated by State.

Therefore, the answers in these sections may be reasonable estimates based upon the informed judgment of persons in the responding organization, sampling techniques, prorations based on related data, etc. However, the estimating procedures used should be consistently applied on all BEA surveys.

**E. Specify –** When "specify" is stated for certain items, provide the type and dollar amount of the major items included in the data provided.

**F. Space on form insufficient –** When space on a form is insufficient to permit a full answer to any item, provide the required information on supplementary sheets, appropriately labeled and referenced to the item number on the form.

## IV. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM

NOTE: Instructions in section IV. are cross referenced by number to the items located on pages 2 to 20 of this form.

### PART I - IDENTIFICATION OF U.S. AFFILIATE

**2. Consolidation Rules**

**Consolidated reporting by the U.S. affiliate –** A U.S. affiliate must file on a fully consolidated domestic U.S. basis, including in the full consolidation all nonbank **U.S. business enterprises** in which it directly or indirectly owns more than 50 percent of the outstanding voting interest. The fully consolidated entity is considered one U.S. affiliate.

A foreign person holding real estate investments that are reportable on the BE-15 must aggregate all such holdings. See Instruction I.C. on page 22 and V.C. on page 26 for details.

Do not prepare your BE-15 report using the proportionate consolidation method. Except as noted in b. through e. below, consolidate all majority-owned U.S. affiliates into your BE-15 report.

**Unless the exceptions discussed in a, b, c, or e below apply, any deviation from these consolidation rules must be approved in writing each year by BEA.**

**Exceptions to consolidated reporting –** Note: If a U.S. affiliate is not consolidated into its U.S. parent's BE-15 report, then it must be listed on the Supplement B of its parent's BE-15 report and each nonbank U.S. affiliate must file its own Form BE-15(LF) or BE-15(SF).

a. **DO NOT CONSOLIDATE FOREIGN SUBSIDIARIES, BRANCHES, OPERATIONS, OR INVESTMENTS NO MATTER WHAT THE PERCENTAGE OWNERSHIP.**

Include foreign holdings owned 20 percent or more (including those that are majority-owned) using the equity method of accounting. Do not report employment, land, and other property, plant and equipment and DO NOT eliminate intercompany accounts for holdings reported using the equity method.

DO NOT list any foreign holdings on the Supplement B.

## IV. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM — Continued

Oil and gas sites owned by U.S. affiliates and located outside of U.S. claimed territorial waters are to be treated as foreign subsidiaries of the U.S. affiliates if they meet one of the following criteria: (1) they are incorporated in a foreign country; (2) they are set up as a branch; or (3) they have a physical presence in a foreign country as evidenced by property, plant and equipment or employees located in that country.

Real estate located outside the United States that is owned by the U.S. affiliate and generates revenues for, or reimbursements to, the U.S. affiliate, or that facilitates the foreign operations of the U.S. affiliate is a foreign subsidiary and should not be consolidated on this BE-15 report.

**b. Do not consolidate banking activities.** If the nonbank U.S. affiliate reporting on the Form BE-15(LF) has a direct or indirect ownership interest in a U.S. bank, bank holding company (BHC), or any other banking activity, such as a U.S. wholesale or limited purpose bank, DO NOT consolidate those banking activities into the Form BE-15(LF). Banks are not required to file a separate BE-15 report, however, list unconsolidated banking affiliates on the Supplement B.

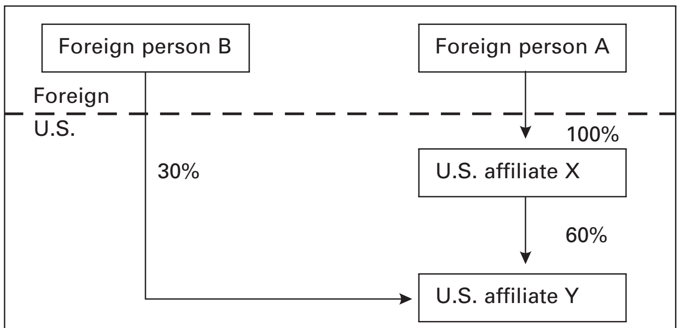
Include on Form BE-15(LF) any banking operations owned 20 percent or more (including those that are majority-owned) using the equity method of accounting. Do not report employment, land, and other property, plant, and equipment and DO NOT eliminate intercompany accounts for banking operations reported using the equity method.

For BE-15 reporting purposes, treat Financial Holding Companies in the same manner as you would treat a BHC.

**c. Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership.** These rules can be found on our web site at www.bea.gov/bea/surveys/fdiusfaq.htm#1. Scroll to the heading "BE-15 – Annual Survey Report" and click on the question "How do I report if I am a limited partnership or have an ownership interest in a limited partnership?" Also see instruction 6.b. below for additional information about partnerships.

**d. You must submit a request in writing EACH YEAR to BEA in order to receive permission to file separately for any U.S. affiliate that should otherwise be consolidated.** Report such affiliates, if not consolidated, on Form BE-15(LF) using the equity method of accounting. DO NOT eliminate intercompany accounts for affiliates not consolidated. In accordance with FAS 94, consolidation of majority-owned subsidiaries is required even if their operations are not homogeneous with those of the U.S. affiliate that owns them.

**e.** A U.S. affiliate in which a direct ownership interest and an indirect ownership interest are held by **different** foreign persons should not be fully consolidated into another U.S. affiliate, but must complete and file its own Form BE-15(LF) or BE-15(SF). (See diagram below.)




U.S. affiliate Y may not be fully consolidated into U.S. affiliate X because of the 30 percent direct ownership by foreign person B.

If this exception applies, reflect the indirect ownership interest, even if more than 50 percent, on the balance sheet and income statement of the owning U.S. affiliate's BE-15 report on an equity basis. For example, using the situation shown in the diagram above, U.S. affiliate X must treat its 60 percent ownership interest in U.S. affiliate Y as an equity investment.

**4. Reporting period –** The report covers the U.S. affiliate's 2006 fiscal year. The affiliate's 2006 fiscal year is defined as the affiliate's financial reporting year that had an ending date in calendar year 2006.

**Special Circumstances:**

**a. 52/53 week fiscal year –** Affiliates having a "52/53 week" fiscal year that ends within the first week of January 2007 are considered to have a 2006 fiscal year and should report December 31, 2006 as their 2006 fiscal year end.

**b. U.S. affiliates without a financial reporting year –** If a U.S. affiliate does not have a financial reporting year, its fiscal year is deemed to be the same as calendar year 2006.

**c. Change in fiscal year**

**(1) New fiscal year ends in calendar year 2006 –** A U.S. affiliate that changed the ending date of its financial reporting year **should file a 2006 BE-15 report that covers the 12 month period prior to the new fiscal year end date.** The following example illustrates the reporting requirements.

**Example 1:** U.S. affiliate A had a June 30, 2005 fiscal year end date but changed its 2006 fiscal year end date to March 31. Affiliate A should file a 2006 BE-15 report covering the 12 month period from April 1, 2005 to March 31, 2006.

The ending balance sheet amounts reported in column (1) of items 38 through 54 must be the correct balances as of March 31, 2006. The beginning balance sheet amounts reported in column (2) must be the **unrestated ending balances as of June 30, 2005.** To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate A must include an adjusting entry in item 66. To reconcile the beginning and ending net property, plant and equipment balances, affiliate A must include an adjusting entry in item 88.

**(2) No fiscal year ending in calendar year 2006 –** If a change in fiscal year results in a U.S. affiliate not having a fiscal year that ended in calendar year 2006, the affiliate **should file a 2006 BE-15 report that covers 12 months.** The following example illustrates the reporting requirements.

**Example 2:** U.S. affiliate B had a December 31, 2005 fiscal year end date but changed its next fiscal year end date to March 31. Instead of having a short fiscal year ending in 2006, affiliate B decides to have a 15 month fiscal year running from January 1, 2006 to March 31, 2007. Affiliate B should file a 2006 BE-15 report covering a 12 month period ending in calendar year 2006, such as the period from April 1, 2005 to March 31, 2006.

In this example, the ending balance sheet amounts reported in column (1) of items 38 through 54 must be the correct balances as of March 31, 2006. The beginning balance sheet amounts reported in column (2) must be the **unrestated ending balances as of December 31, 2005.** To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate B must include an adjusting entry in item 66. To reconcile the beginning and ending net property, plant and equipment balances, affiliate B must include an adjusting entry in item 88.

For 2007, assuming no further changes in the fiscal year end date occur, affiliate B should file a BE-15 report covering the 12 month period from April 1, 2006 to March 31, 2007.

**5. Reporting for a U.S. business that became a U.S. affiliate during fiscal year 2006 –**

**a. A U.S. business enterprise that was newly established in fiscal year 2006** should file a report for the period starting with the establishment date up to and ending on the last day of its fiscal year that ended in calendar year 2006. DO NOT estimate amounts for a full year of operations if the first fiscal year is less than 12 months.

**b. A U.S. business enterprise existing before fiscal year 2006 that became a U.S. affiliate in fiscal year 2006** should file a report covering a full 12 months of operations.

**6. Form of organization of U.S. affiliate – Reporting by unincorporated U.S. affiliates**

**a. Directly owned vs. indirectly owned**

**(1) DIRECTLY OWNED –** Each unincorporated U.S. affiliate, including a branch, that is directly owned 10 percent or more by a foreign person should file a separate BE-15 report. Do not combine two or more directly owned U.S. affiliates on a single BE-15 report. The only exception is for U.S. affiliates that are real estate investments. See instruction I.C. on page 22 and V.C. on page 26 for details.

**(2) INDIRECTLY OWNED –** Except as noted in the exceptions to the consolidation rules starting on page 23, an indirectly owned unincorporated U.S. affiliate that is owned more than 50 percent by another U.S. affiliate should be fully consolidated on the report with the U.S. affiliate that holds the ownership interest in it. An indirectly owned unincorporated U.S. affiliate owned 50 percent or less by another U.S. affiliate should file a separate BE-15 report if no other U.S. affiliate owns a voting interest of more than 50 percent.

**b. Partnerships –** Most partnerships are either general partnerships or limited partnerships. A general partnership usually consists of at least two general partners who together control the partnership. A limited partnership usually consists of at least one general partner and one limited partner. The general partner usually controls a limited partnership. The limited partner has a financial interest but does not usually have any voting rights (control) in a limited partnership.

Partners without voting rights (control) cannot have direct investment in a partnership. Therefore, limited partners do not usually have direct investment. The existence of direct investment in a partnership is determined by the percentage of control exercised by the partner(s). The percentage of control exercised by a partner may differ from its financial interest in the partnership.

**(1) General Partnerships**

**Determination of voting interest –** "Voting interest" is defined in instructions 12-16 on page 25. The determination of the percentage of voting interest of a general partner is based on who controls the partnership. The percentage of voting interest is not based on the percentage of ownership in the partnership's equity. The general partners are presumed to control a general partnership. Unless a clause to the contrary is contained in the partnership agreement, a general partnership is presumed to be controlled equally by each of the general partners. For example, if a partnership has two general partners, and nothing to the contrary is stated in the partnership agreement, each general partner is presumed to have a 50 percent voting interest. If there are three general partners, each general partner is presumed to have a one-third voting interest, etc.

**Managing partners –** If one general partner is designated as the managing partner, responsible for the day-to-day operations of the partnership, this does not necessarily transfer control of the partnership to the managing partner. If the managing partner must obtain approval for annual operating budgets and for decisions relating to significant management issues from the other general partners, then the managing partner does not have a 100 percent voting interest in the partnership.

**(2) Limited Partnerships**

**(a) Determination of voting interest –** "Voting interest" is defined in instructions 12-16 below. The determination of the percentage of voting interest in a limited partnership is based on who controls the partnership. The percentage of voting interest is not based on the percentage of ownership in the partnership's equity. In most cases, the general partner is presumed to control a limited partnership, and therefore, have a 100 percent voting interest in the limited partnership. If there is more than one general partner, the partnership is presumed to be controlled equally by each of the general partners, unless a clause to the contrary is contained in the partnership agreement. For example, if a limited partnership has two general partners, and nothing to the contrary is stated in the partnership agreement, then each general partner is presumed to have a 50 percent voting interest in the limited partnership.

Limited partners do not normally exercise any control over a limited partnership. Therefore, unless a clause to the contrary is contained in the partnership agreement, limited partners are presumed to have zero voting interest in a limited partnership. If a limited partnership has one or more limited partners who are foreign persons, the foreign persons are presumed to have no voting interest, and, therefore, no direct investment in the limited partnership.

**Managing partners –** See discussion under "General Partnerships" above.

**(b) Consolidation Rules**

**Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership.** See www.bea.gov/bea/surveys/fdiusfaq.htm#1 for details. Scroll to the heading "BE-15 – Annual Survey Report" and click on the question "How do I report if I am a limited partnership or have an ownership interest in a limited partnership?"

**c. Limited Liability Companies (LLCs)**

**Determination of voting interest –** "Voting interest" is defined in instruction 12-16 below. The determination of the percentage of voting interest in an LLC is based on who controls the LLC. The percentage of voting interest is not based on the percentage of ownership in the LLC's equity. LLCs are presumed to be controlled equally by each of its members (owners), unless a clause to the contrary is contained in the articles of organization or in the operating agreement. For example, if an LLC has two members, and nothing to the contrary is contained in the articles of organization or in the operating agreement, then each member is presumed to have a 50 percent voting interest in the LLC; if there are three members, then each member is presumed to have a one-third voting interest in the LLC.

**Managing member –** If one member is designated as the managing member responsible for the day-to-day operations of the LLC, this does not necessarily transfer control of the LLC to the managing member. If the managing member must obtain approval for annual operating budgets and for decisions relating to other significant management issues from the other members, then the managing member does not have a 100 percent voting interest in the LLC.

**8. U.S. affiliates NOT fully consolidated –** Report equity investments in U.S. business enterprises that are not fully consolidated and owned 20 percent or more (including those that are majority owned) using the equity method of accounting. Do not report employment, land, and other property, plant, and equipment and DO NOT eliminate inter-company accounts for holdings reported using the equity method.

You may report immaterial investments using the cost method of accounting if this treatment is consistent with your normal reporting practice. Report investments owned less than 20 percent in accordance with FAS 115 or the cost basis of accounting.

List all U.S. affiliates in which this U.S. affiliate has a voting interest of at least 10 percent and that are not consolidated in this Form BE-15(LF) on the Supplement B.

**12–16 – Ownership – Voting interest and Equity interest**

**a. Voting interest** is the percent of ownership in the voting equity of the U.S. affiliate. Voting equity consists of ownership interests that have a say in the management of the company. Examples of voting equity include capital stock that has voting rights, and a general partner's interest in a partnership. See instructions 6.b.(1) and 6.b.(2)(a) above for information about determining the voting interest for partnerships. See instruction 6.c. above for information about determining the voting interest for Limited Liability Companies.

**b. Equity interest** is the percent of ownership in the total equity (voting and nonvoting) of the U.S. affiliate. Nonvoting equity consists of ownership interests that do not have a say in the management of the company. An example of nonvoting equity is preferred stock that has no voting rights. Another example is a limited partner's interest in a limited partnership. See instruction 6.b.(2) above for information about limited partnerships.

**Voting interest and equity interest are not always equal.** For example, an owner can have a 100 percent voting interest in a U.S. affiliate but own less than 100 percent of the affiliate's total equity. This situation is illustrated in the following example.

**Example:** U.S. affiliate A has two classes of stock, common and preferred. There are 50 shares of common stock outstanding. Each common share is entitled to one vote and has an ownership interest in 1 percent of the total owners' equity amount. There are 50 shares of preferred stock outstanding. Each preferred share has an ownership interest in 1 percent of the total owners' equity amount but has no voting rights. Foreign parent B owns all 50 shares of the common stock. U.S. investors own all 50 shares of the preferred stock. Since foreign parent B owns all of the voting stock, foreign parent B has a 100 percent voting interest in U.S. affiliate A. However, since all 50 of the nonvoting preferred shares are owned by U.S. investors, foreign parent B has only a 50 percent equity interest in the owners' equity amount of U.S. affiliate A.

**21–34**

**Industry classification of fully consolidated U.S. affiliate**

**Book Publishers and Printers –** Printing books without publishing is classified in International Surveys Industry (ISI) code 3231 (printing and related support activities) not ISI code 5111 (newspaper, periodical, book, and directory publishers).

**Real Estate Investment Trusts (REITS) –** REITS should allocate their sales based on the activities of their fully consolidated domestic U.S. holdings. For example, a REIT that owns a shopping center, should classify rents generated by the shopping center in international surveys industry (ISI) code 5310 (real estate). A REIT that holds a limited partner's interest in a limited partnership and thus has no vote in the management of the partnership must classify revenues generated by that activity in ISI code 5252 (Funds, trusts and other financial vehicles). A REIT that lends money for mortgages to owners of real estate should classify revenues generated by that activity in ISI code 5224 (nondepository credit intermediation). A REIT that holds only minority voting interests in one or more properties should report revenues generated by those minority interests as "income from equity investments in unconsolidated affiliates" (item 56) and the REIT should be classified in ISI code 5512 (holding companies, except bank holding companies).

## PART II – FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE

### Section B – INCOME STATEMENT

**57. Certain realized and unrealized gains (losses) –**

**Special instructions for (1) dealers in financial instruments, 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 item 57:

**(a)** impairment losses as defined by FAS 115,

**(b)** realized gains and losses on trading or dealing,

**(c)** unrealized gains or losses, due to changes in the valuation of financial instruments, that flow through the income statement, and

**(d)** goodwill impairment as defined by FAS 142.

**EXCLUDE** unrealized gains or losses due to changes in the valuation of financial instruments that are taken to other comprehensive income. Reflect such changes in items 52b and 52c (total accumulated other comprehensive income (loss)).

**EXCLUDE** income from explicit fees and commissions from item 57. Include income from these fees and commissions as part of your income from operations on page 6.

**(2) Real estate companies –** Include in item 57:

**(a)** impairment losses, as defined by FAS 144, and

**(b)** goodwill impairment as defined by FAS 142.

**EXCLUDE** the revenues earned and expenses incurred from the sale of real estate you own. Such revenues should be reported as operating income in items 34 column 2, 55, and 72 and as sales of goods in item 73. Such expenses, including the net book value of the real estate sold, should be reported as costs of goods sold in item 60. Do not net the expenses against the revenues.

### Section D – DISTRIBUTION OF SALES OR GROSS OPERATING REVENUES

**72–79**

Disaggregate the total sales or gross operating revenues into sales of goods, investment income, and sales of services.

**73. Sales of goods –** Goods are normally outputs that are tangible. Report as sales of goods:

- Mass produced media, including exposed film, video tapes, DVD's, audio tapes, and CD's.
- Books. NOTE: Book publishers – To the extent feasible, report as sales of services all revenues associated with the design, editing, and marketing activities necessary for producing and distributing books that you both publish and sell. If you cannot unbundle (i.e., separate) these revenues from the value of the books you sell, then report your total sales as sales of goods or services based on the activity that accounts for a majority of the value.

## IV. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT FORM – Continued

- Energy trading activities where you take title to the goods. NOTE: If you act in the capacity of a broker or agent to facilitate the sale of goods and you do not take title to the goods, report your revenue (i.e., commissions) as sales of services on line 75.
- Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services on line 75.
- Packaged general use computer software.
- Structures sold by businesses in real estate.
- Revenues earned from building structures by businesses in construction.
- Electricity, Natural gas, and Water. NOTE: Revenues derived from transmitting and/or distributing these goods, as opposed to revenues derived from the sale of the actual product, should, to the extent feasible, be reported as sales of services on line 75.

**74. Investment income –**

Report dividends and interest generated by finance and insurance activities as investment income. NOTE: Report commissions and fees as sales of services on line 75.

**75. Sales of services –** Services are normally outputs that are intangible. Report as sales of services:

- Advertising revenue.
- Commissions and fees earned by companies engaged in finance and real estate activities.
- Premiums earned by companies engaged in insurance activities. NOTE: Calculate 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.
- Commissions earned by agents or brokers (i.e., wholesalers) who act on behalf of buyers and sellers in the wholesale distribution of goods. NOTE: Agents or brokers do not take title to the goods being sold.
- Magazines and periodicals sold through subscriptions. NOTE: Report magazines and periodicals sold through retail stores, as sales of goods on line 73.
- Newspapers.
- Pipeline transportation.
- Software downloaded from the Internet, electronic mail, an Extranet, Electronic Data Interchange network, or some other online system.
- Computer systems design and related services.
- Negotiated licensing fees for software to be used on networks.
- Electricity transmission and distribution, Natural gas distribution, and Water distribution.

### Section E – TOTAL EMPLOYEE COMPENSATION

**80–82**

**80. Wages and salaries** are the gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, and commissions. Exclude commissions paid to persons who are not employees.

Wages and salaries include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Include employer contributions to benefit funds. Exclude payments made by, or on behalf of, benefit funds rather than by the employer.

Wages and salaries include in-kind payments, valued at their cost, that are **clearly and primarily of benefit to the employees as consumers.** Exclude expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement for business expenses.

**81. Employee benefit plans** include Social Security and other retirement plans, life and disability insurance, guaranteed sick pay programs, workers' compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay funds, etc. If plans are financed jointly by the employer and the employee, include only the contributions of the employer.

### Section I – TECHNOLOGY

**102–103**

**Research and development –** R&D includes basic and applied research in the sciences and engineering. It also includes design and development of new products and processes, and enhancement of existing products and processes.

R&D includes activities carried on by persons trained, either formally or by experience, in the physical sciences such as chemistry and physics, the biological sciences such as medicine, and engineering and computer science. R&D includes these activities if the purpose is to do one or more of the following things:

**a.** Pursue a planned search for **new knowledge,** whether or not the search has reference to a specific application (Basic research);

**b.** Apply **existing knowledge** to problems involved in the **creation of a new product or process**, including work required to evaluate possible uses (Applied research); or

**c.** Apply **existing knowledge** to problems involved in the **improvement of a present product or process**. (Development).

R&D includes the activities described above whether assigned to separate R&D organizational units of the company or carried out by company laboratories and technical groups not a part of an R&D organization.

**102. Research and development expenditures –** Report all research and development (R&D) performed BY the U.S. affiliate for its own account or for others, including the foreign parent and foreign affiliates of the foreign parent.

**103. Research and development employees** are scientists, engineers, and other professional and technical employees, including managers, who spend all or a majority of their time engaged in scientific or engineering R&D work, at a level that requires knowledge of physical or life sciences, engineering, or mathematics at least equivalent to that acquired through completion of a four-year college course with a major in one of these fields (i.e., training may be either formal or by experience).

## V. SPECIAL INSTRUCTIONS

**A. Insurance companies –** Reporting should be in accordance with U.S. Generally Accepted Accounting Principles not Statutory Accounting Practices (SAP). For example, the BE-15 report should include the following assets even though they are not acceptable under SAP: **1.** nontrusteed or free account assets, and **2.** nonadmitted assets such as furniture and equipment, agents' debit balances, and all receivables deemed to be collectible.

Item on Form BE-15(LF):

**39a. CURRENT RECEIVABLES –** Include current items such as agents' balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (gross of allowances for doubtful items) arising from the ordinary course of business.

**46 CURRENT LIABILITIES AND LONG-TERM DEBT –** Include current items such as loss liabilities, policy claims, commissions due, other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other non-current liabilities," item 47, unless they are clearly current liabilities. Exclude mandatory securities valuation reserves that are appropriations of retained earnings. Include them in the owners' equity section of the balance sheet.

**55 SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES –** Include items such as earned premiums, annuity considerations, gross interest and dividend income, and items of a similar nature. Exclude income from unconsolidated affiliates that is to be reported in item 56, and certain gains or losses that are to be reported in item 57.

**57 CERTAIN REALIZED AND UNREALIZED GAINS (LOSSES) –** See special instructions for item 57 on page 25 of this form.

**60 COST OF GOODS SOLD OR SERVICES RENDERED, AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES –** Include costs relating to sales or gross operating revenues, item 55, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.

**74 INVESTMENT INCOME –** Report that portion of sales or gross operating revenues, items 55 and 72, that is investment income (e.g., interest and dividends). However, report gains and (losses) on investments in accordance with the special instructions for item 57 on page 25 of this form.

**75 SALES OF SERVICES –** Include premium income and income from actuarial, claims adjustment, and other services, if any.

**B. Railroad transportation companies –** Railroad transportation companies should include only the net annual balances for interline settlement items (car hire, car repair, freight revenues, switching revenues, and loss and damage settlements) in items 39a, 44, and 46 of Form BE-15(LF).

**C. Real Estate –** The ownership of real estate is defined to be a business enterprise, and if the real estate is foreign owned, it is a U.S. affiliate of a foreign person. A BE-15 report is required unless the enterprise is otherwise exempt.

Residential real estate held exclusively for personal use and not for profit making purposes is not subject to the reporting requirements. A residence that is an owner's primary residence that is then leased by the owner while outside the United States, but which the owner intends to reoccupy, is considered real estate held for personal use and therefore not subject to the reporting requirements. Ownership of U.S. residential real estate by a corporation whose sole purpose is to hold the real estate for the personal use of the owner(s) of the corporation is considered to be real estate held for personal use and therefore not subject to the reporting requirements.

## V. SPECIAL INSTRUCTIONS – Continued

**Aggregation of real estate investments –** A foreign person holding real estate investments that are reportable on the BE-15 must aggregate all such holdings for the purpose of applying the reporting criteria (see instruction I.C. on page 22 of this form). If the aggregate of such holdings exceeds one or more of the exemption levels, then the holdings must be reported even if individually they would be exempt. In such a case, file a single BE-15 report covering the aggregated holdings. If on an aggregated basis any one of the following three items – total assets (do not net out liabilities), or sales or gross operating revenues, excluding sales taxes, or net income after provision for U.S. income taxes – exceeds $125 million (positive or negative), file Form BE-15(LF). If permission has been received in writing from BEA to file on an nonaggregated basis, you must report each real estate investment on a Form BE-15(LF) if a Form BE-15(LF) would have been required on an aggregated basis. Nonaggregated reports should be filed as a group and you should inform BEA that they are all for one owner.

On page 1, name and address of U.S. business enterprise, BEA is not seeking a legal description of the property, nor necessarily the address of the property itself. Because there may be no operating business enterprise for a real estate investment, what BEA seeks is a consistently identifiable name for the investment (i.e., the U.S. affiliate) together with an address to which report forms can be mailed so that the investment (affiliate) can be reported on a consistent basis for each reporting period and for the various BEA surveys.

Thus, on page 1 of the BE-15 survey forms the "name and address" of the U.S. affiliate might be:

XYZ Corp. N.V., Real Estate Investments
c/o B&K Inc., Accountants
120 Major Street
Miami, FL XXXXX

If the investment property has a name, such as Sunrise Apartments, the name and address on page 1 of the BE-15 survey forms might be:

Sunrise Apartments
c/o ABC Real Estate
120 Major Street
Miami, FL XXXXX

There are questions throughout the Form BE-15(LF) that may not apply to certain types of real estate investments, such as the employer identification number, the number of employees, and exports and imports. In such cases, mark the items "none."

**Joint ventures and partnerships –** If a foreign person has a direct or indirect voting ownership interest of 10 percent or more in a joint venture, partnership, etc., that is formed to own and hold, develop, or operate real estate, the joint venture, partnership, etc., in its entirety, not just the foreign person's share, is a U.S. affiliate and must be reported as follows:

1. If the foreign interest in the U.S. affiliate is directly held by the foreign person, then a Form BE-15(LF) or BE-15(SF) must be filed by the affiliate (subject to the exemption criteria and aggregation rules discussed above).
2. If a voting interest of more than 50 percent in the U.S. affiliate is owned by another U.S. affiliate, the owned affiliate must be fully consolidated in the Form BE-15(LF) or BE-15(SF) of the owning affiliate.
3. If a voting interest of 50 percent or less in the U.S. affiliate is owned by another U.S. affiliate, and no U.S. affiliate owns a voting interest of more than 50 percent, then a separate Form BE-15(LF) or BE-15(SF) must be filed by the owned affiliate. The BE-15 report(s) of the owning affiliate(s) must show an equity investment in the owned affiliate.

**D. Farms –** For farms that are not operated by their foreign owners, the income statements and related items should be prepared based on the extent to which the income from the farm accrues to, and the expenses of the farm are borne by, the owner. Generally this means that income, expenses, and gain (loss) assignable to the owner should reflect the extent to which the risk of the operation falls on the owner. For example, even though the operator and other workers on the farm are hired by a management firm, if their wages and salaries are assigned to, and borne by, the farm operation being reported, then the operator and other workers should be reported as employees of that farm operation and the wages and salaries should be included as an expense in the income statement.

**EXAMPLES:**

1. If the farm is leased to an operator for a fixed fee, the owner should report the fixed fee in "sales or gross operating revenue," and should report the nonoperating expenses that he or she may be responsible for, such as real estate taxes, interest on loans, etc., as expenses in the income statement.
2. If the farm is operated by a management firm that oversees the operation of the farm and hires an operator, but the operating income and expenses are assigned to the owner, the income and expenses so assigned should be shown in the requested detail in the income statement, and related items, as appropriate. (The report should not show just one item, i.e., the net of income less the management fee, where the management fee includes all expenses.)

**E. Estates, trusts, and intermediaries**

**A FOREIGN ESTATE** is a person and therefore may have direct investment, and the estate, not the beneficiary, is considered to be the owner.

**A TRUST** is a person but it is not a business enterprise. The trust is considered to be the same as an intermediary, and should report as outlined in the instructions for intermediaries below. For reporting purposes, the beneficiary(ies) of the trust, is (are) considered to be the owner(s) for purposes of determining the existence of direct investment, except in two cases: (1) if there is, or may be, a reversionary interest, and (2) if a corporation or other organization creates a trust designating its shareholders or members as beneficiaries. In these two cases, the creator(s) of the trust is (are) deemed to be the owner(s) of the investments of the trust (or succeeding trusts where the presently existing trust had evolved out of a prior trust), for the purposes of determining the existence and reporting of direct investment.

This procedure is adopted in order to fulfill the statistical purposes of this survey and does not imply that control over an enterprise owned or controlled by a trust is, or can be, exercised by the beneficiary(ies) or creator(s).

FOR AN INTERMEDIARY:

1. If a U.S. intermediary holds, exercises, administers, or manages a particular foreign direct investment in the United States for the beneficial owner, such intermediary is responsible for reporting the required information for, and in the name of, the U.S. affiliate. Alternatively, the U.S. intermediary can instruct the U.S. affiliate to submit the required information. Upon so doing, the intermediary is released from further liability to report, provided it has informed BEA of the date such instructions were given and provides BEA the name and address of the U.S. affiliate, and has supplied the U.S. affiliate with any information in the possession of, or which can be secured by, the intermediary that is necessary to permit the U.S. affiliate to complete the required reports. When acting in the capacity of an intermediary, the accounts or transactions of the U.S. intermediary with a foreign beneficial owner are considered as accounts or transactions of the U.S. affiliate with the foreign beneficial owner. To the extent such transactions or accounts are unavailable to the U.S. affiliate, BEA may require the intermediary to report them.
2. If a foreign beneficial owner holds a U.S. affiliate through a foreign intermediary, the U.S. affiliate may report the intermediary as its foreign parent but, when requested, must also identify and furnish information concerning the foreign beneficial owner. Accounts or transactions of the U.S. affiliate with the foreign intermediary are considered as accounts or transactions of the U.S. affiliate with the foreign beneficial owner.

**F. Determining place of residence and country of jurisdiction of individuals –** An individual is considered a resident of, and subject to the jurisdiction of, the country in which he or she is physically located. The following guidelines apply to individuals who do not reside in their country of citizenship:

1. Individuals who reside, or expect to reside, outside their country of citizenship for less than one year are considered to be residents of their country of citizenship.
2. Individuals who reside, or expect to reside, outside their country of citizenship for one year or more are considered to be residents of the country in which they are residing, except as provided in paragraphs 3 and 4 below.
3. If an owner or employee of a business enterprise resides outside the country of location of the enterprise for one year or more for the purpose of furthering the business of the enterprise, and the country of the business enterprise is the country of citizenship of the owner or employee, then the owner or employee is considered a resident of the country of citizenship, provided there is the intent to return to the country of citizenship within a reasonable period of time.
4. Individuals and members of their immediate family who are residing outside their country of citizenship as a result of employment by the government of that country – diplomats, consular officials, members of the armed forces, etc. – are considered to be residents of their country of citizenship.

## VI. FILING THE BE-15

**A. Due date –** File a fully completed and certified Form BE-15(LF), BE-15(SF), or BE-15(EZ) no later than May 31, 2007. If the U.S. affiliate is exempt from filing Form BE-15(LF), BE-15(SF), or BE-15(EZ) based on the criteria in instruction I.B. on page 22, complete and file Form BE-15 Supplement C by May 31, 2007.

**B. Mailing report forms to a foreign address –** BEA will accommodate foreign owners that wish to have forms sent directly to them. However, the extra time consumed in mailing to and from a foreign place may make meeting filing deadlines difficult. In such cases, please consider using BEA's electronic filing option. Go to our web site at **www.bea.gov/astar/** for details about this option. To obtain forms go to: **www.bea.gov/bea/surveys/fdiusurv.htm.**

**C. Extensions –** For the efficient processing of the survey and timely dissemination of the results, it is important that your report be filed by the due date. Nevertheless, reasonable requests for extension of the filing deadline will be granted. Requests for extensions of more than 30 days **MUST be in writing** and should explain the basis for the request. You may request an extension via email at **be12/15@bea.gov.** For extension requests of 30 days or less, you may call BEA at (202) 606-5577. All requests for extensions must be received BEFORE the due date of the report.

**D. Assistance –** For assistance, telephone (202) 606-5577, FAX (202) 606-5319, or send e-mail to **be12/15@bea.gov.** Forms can be obtained from BEA's web site at: **www.bea.gov/bea/surveys/fdiusurv.htm**

**E. Annual stockholders' report or other financial statements –** Please furnish a copy of your FY 2006 annual stockholders' report or Form 10K when filing the BE-15 report. If you do not publish an annual stockholders' report or file Form 10K, please provide any financial statements that may be prepared, including the accompanying notes. Information contained in these statements is useful in reviewing your report and may reduce the need for further contact. Section 5(c) of the International Investment and Trade in Services Survey Act, Public Law 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended, provides that this information can be used for analytical and statistical purposes only and that it must be held strictly confidential.

**F. Number of copies –** File a single original copy of the form and supplement(s). If you are not filing electronically, this should be the copy with the address label on page 1, if such a labeled copy has been provided by BEA. (Make corrections to the address on the label, if necessary.) You should also retain a file copy of each report for three years to facilitate resolution of any questions that BEA may have concerning your report. (Both copies are protected by law; see the statement on confidentiality in paragraph VI.H., below.)

**G. Where to send the report –** To file electronically, see our web site at **www.bea.gov/astar/.**

Send reports filed by mail through the U.S. Postal Service to:

U.S. Department of Commerce
Bureau of Economic Analysis
BE-49(A)
Washington, DC 20230

Direct reports filed by private delivery service to:

U.S. Department of Commerce
Bureau of Economic Analysis, BE-49(A)
Shipping and Receiving Section, M100
1441 L Street, NW
Washington, DC 20005

**H. 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).