



**MANDATORY — CONFIDENTIAL**

**2007 BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT  
IN THE UNITED STATES  
(SHORT FORM)**

**DUE DATE: MAY 31, 2008**

**ELECTRONIC FILING:** Go to **www.bea.gov/efile** 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

**OR**

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

**ASSISTANCE**

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

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

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

**Copies of blank forms:** **www.bea.gov/fdi**

**Definitions of key terms – See page x.**

**A. 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 Foreign Postal Code  
1005 0 OR 0

**B. Location of U.S. affiliate –** If the mailing address in item A is in care of someone other than the U.S. affiliate, give the name and location of the primary U.S. headquarters of the affiliate. If the U.S. affiliate is a real estate investment with no U.S. headquarters, give the name (if any) and location of the real estate. If the real estate is in more than one location, give the name and location of the real estate with the largest gross book value.

Name of U.S. affiliate  
1300 1

Street or P.O. Box  
1301 1

City and State  
1302 1

ZIP Code  
1303 1

**IMPORTANT**

Please review the **Instructions** starting on page x before completing this form. **Insurance and real estate companies** see Special Instructions on page xx.

- **Who must file BE-12(SF)** – Form BE-12(SF) must be filed for a (a) nonbank majority-owned U.S. affiliate with total assets, sales or gross operating revenues, or net income greater than \$40 million (positive or negative) but not greater than \$175 million (positive or negative), and (b) nonbank minority-owned U.S. affiliate with total assets, sales or gross operating revenues, or net income greater than \$40 million (positive or negative). If you do not meet these filing criteria or for more information regarding who must file Form BE-12(SF), see instruction I.A. starting on page x.
- **Accounting principles** – Use U.S. Generally Accepted Accounting Principles (U.S. GAAP) in completing Form BE-12(SF) unless requested to do otherwise by a specific instruction. References in the instructions to Financial Accounting Standards Board statements are referred to as "FAS."
- **U.S. affiliate's 2007 fiscal year** – The affiliate's financial reporting year that had an ending date in calendar year 2007.
- **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 xx.
- **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 CONFIDENTIALITY PENALTIES**



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

**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 estimates may have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

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-12(SF), 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  Yes (If yes, please print your e-mail address.) → E-mail address (Please print)  
2  No

1028

**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 xx.

**1. What financial reporting standards will be used to complete this BE-12 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).

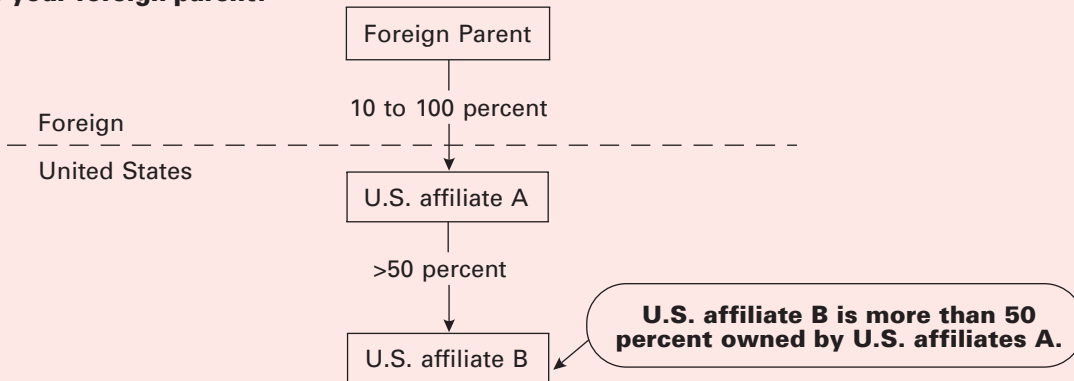
<sup>1399</sup> <sup>1</sup>  U.S. Generally Accepted Accounting Principles

<sup>1</sup> <sup>2</sup>  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. ↘

<sup>1</sup> <sup>3</sup>  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 x and x.

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



<sup>1400</sup> <sup>1</sup>  Yes – **If "Yes"** – Do not complete this report unless exception 2d described in the consolidation rules on page xx applies. If this exception does not apply, please forward this BE-12 survey packet to the U.S. business enterprise owning your company more than 50 percent, and notify BEA of the action taken by filing a **BE-12 Claim For Not Filing** with item (e) completed on page 2. The Claim For Not Filing can be downloaded from our web site at: [www.bea.gov/fdi](http://www.bea.gov/fdi)

<sup>1</sup> <sup>2</sup>  No – **If "No"** – Complete this report in accordance with the consolidation rules on pages x and x.

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

Primary	Other
<sup>1006</sup> <sup>1</sup> <input type="text" value="-"/>	<sup>2</sup> <input type="text" value="-"/>

**4. REPORTING PERIOD** – Reporting period instructions are found in instruction 4 on page x.

This U.S. affiliate's financial reporting year ended in calendar year 2007 on

**Example** – If the financial reporting year ended on March 31, report for the 12-month period ended March 31, **2007**.

**5. Did the U.S. business enterprise become a U.S. affiliate during its fiscal year that ended in calendar year 2007?**

<sup>1008</sup> <sup>1</sup>  Yes – **If "Yes"** – Enter date U.S. business enterprise became a U.S. affiliate and see instruction 5 on page xx.

<sup>1</sup> <sup>2</sup>  No

Month	Day	Year
<sup>1009</sup> 1		

**NOTE** – For a U.S. business enterprise that became a U.S. affiliate during its fiscal year that ended in calendar year 2007, leave the close FY 2006 data columns blank.

**6. Is the U.S. affiliate named on page 1 separately incorporated in the United States, including its territories and possessions?**

<sup>1011</sup> <sup>1</sup>  Yes

<sup>1</sup> <sup>2</sup>  No – Reporting rules for unincorporated affiliates are found in instruction 6 starting on page xx. Reporting rules for real estate are found in instruction V.C. on page xx.

**7. U.S. affiliates fully consolidated in this report** – The consolidation rules are found on pages xx and xx. Except as noted in the consolidation rules, more-than-50-percent-owned U.S. affiliates must be fully consolidated in this report.

If this report is for a single 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 (Accounting for Certain Investments in Debt and Equity Securities) or the cost method of accounting.

<sup>1012</sup> <sup>1</sup>

**Number** – If number is greater than one, complete the Supplement A on page 13.

**8. U.S. affiliates NOT consolidated** – See instruction 8 on page xx.

Number of U.S. affiliates in which this U.S. affiliate has an ownership interest that ARE NOT fully consolidated in this report.

<sup>1013</sup> <sup>1</sup>

**Number** – If number is not zero, complete the Supplement B on page 15. 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 (Accounting for Certain Investments in Debt and Equity Securities) or the cost basis, and must notify the unconsolidated U.S. affiliates of their obligation to file a Form BE-12(LF), BE-12(SF), BE-12 Mini, or BE-12 BANK in their own names.

**PART I - IDENTIFICATION OF U.S. AFFILIATE - Continued**

**Ownership** – Enter **percent of ownership**, in this U.S. affiliate, to a tenth of one percent, based on **voting interest** if an incorporated affiliate or an equivalent interest if an unincorporated affiliate. "Voting interest" is defined in instruction 9-13 on page xx.

**Foreign parent** – A foreign parent is the **FIRST** person or entity outside the U.S. in a chain of ownership that has a 10 percent or more voting interest (direct or indirect) in this U.S. affiliate.

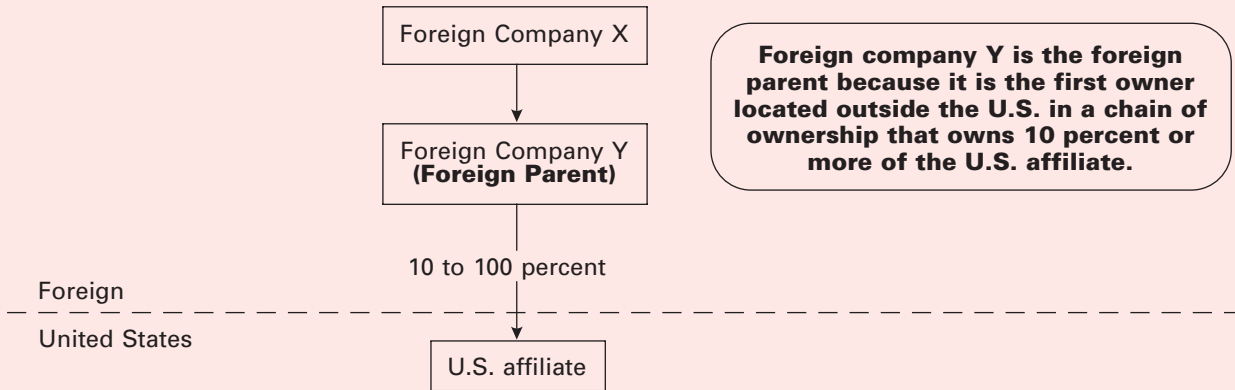
**Direct ownership in this U.S. affiliate held by foreign parents of this affiliate** – Give name of each foreign parent with direct ownership. If more than 2, continue on a separate sheet. See example 1 below for an illustration of ownership held directly by foreign parents.

	Country of incorporation or organization (if a business enterprise) or residence, if an individual. For individuals, see instruction V.F. on page x.	REPORTING PERIOD		BEA USE ONLY (3)
		Close FY 2007 (1)	Close FY 2006 (2)	
9.		1	2	3
	1017	. %	. %	
10.		1	2	3
	1018	. %	. %	
<b>Direct ownership in this U.S. affiliate held by other U.S. entities (U.S. affiliates) owned by foreign parents</b> – Give the name of each U.S. affiliate holding a direct ownership interest in this U.S. affiliate. If more than 2, continue on a separate sheet. The foreign parents of these other U.S. affiliates are indirect foreign parents of this U.S. affiliate. See example 2 below for an illustration of ownership held indirectly by foreign parents.				
	Country of foreign parent of U.S. affiliate			
11.		1	2	3
	1063	. %	. %	
12.		1	2	3
	1064	. %	. %	
13.	<b>Direct ownership held by all other persons (do not list names)</b>	1	2	
	1061	. %	. %	
<b>TOTAL of ownership interests – Sum of items 9 through 13</b> →		<b>100.0%</b>	<b>100.0%</b>	

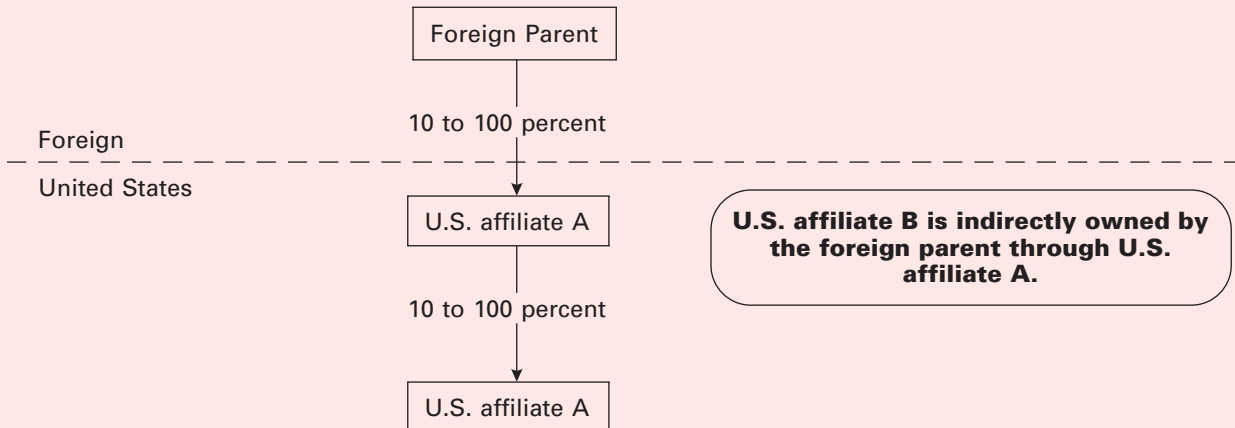
**PLEASE CONTINUE WITH QUESTION 14 ON PAGE 6**

**EXAMPLES OF DIRECT AND INDIRECT FOREIGN OWNERSHIP**

**Example 1 – Ownership held directly by a foreign parent**



**Example 2 – Ownership held indirectly by a foreign parent through another U.S. affiliate**



**NOTE: Arrows connecting boxes represent direction of ownership**

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

**14. Major product(s) or service(s) of fully consolidated U.S. affiliate** – Briefly describe the major product(s) and/or service(s) of the U.S. affiliate. 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 and Total Sales or Gross Operating Revenues of Fully Consolidated U.S. Affiliate**

**Column (1) – ISI Code – 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 associated with each code. For a full explanation of each code, see the *Guide to Industry and Foreign Trade Classifications for International Surveys, 2007*. A copy of this guide can be found on our web site at: [www.bea.gov/surveys/2002be799printpdf](http://www.bea.gov/surveys/2002be799printpdf)

If you use fewer than four codes, you must account for total sales in items 15 through 17. 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).

Book publishers, printers, and Real Estate Investment Trusts – See instructions for items 15–20 on page xx.

**Column (2) – Sales – 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. EXCLUDE all investment gains and losses. Report such gains and losses on page 6, line 35. INCLUDE dividends and interest earned ONLY if you are a finance or insurance company.

**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. EXCLUDE all investment gains and losses. Report all investment gains and losses as certain realized and unrealized gains and (losses) on page x, line xx.

**Holding companies** (ISI code 5512) should report total income including income (loss) from equity investments in unconsolidated U.S. affiliates and all foreign entities, certain realized and unrealized gains and losses, other income, plus sales and gross operating revenues, if any. Zero normally is NOT a correct entry. **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.

	ISI code (1)	Sales (2)			
		Bil.	Mil.	Thous.	Dols.
<b>15.</b> Enter code with largest sales	1164	2			
<b>16.</b> Enter code with 2nd largest sales	1165	2			
<b>17.</b> Enter code with 3rd largest sales	1166	2			
<b>18.</b> Enter code with 4th largest sales	1167	2			
<b>19.</b> Sales not accounted for above — Item 18 must have an entry if amounts are entered on this line.	1173	2			
<b>20. Total sales or gross operating revenues, excluding sales taxes –</b> <i>Equals sum of items 15 through 19, column (2).</i> →	1174	2			

**CROSS-BORDER SERVICES TRANSACTIONS**

**21. Did this U.S. affiliate receive payments or credits from, or make payments or credits to, persons or entities located outside of the United States for any of the items listed below?**

xxxx <sup>1</sup>  Yes    <sup>2</sup>  No

- Royalties, license fees, and other fees for the use or sale of intangible property
- Services including but not limited to: accounting, advertising, computer, construction and related services, consulting, data base, financial, insurance, legal, management, operational leasing, public relations, research and development.

**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 II – SELECTED FINANCIAL AND OPERATING DATA OF U.S. AFFILIATE**

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

**BALANCE SHEET ITEMS**

**NOTE** – Include all unconsolidated businesses on an equity basis or, if less than 20 percent owned, in accordance with FAS 115 (Accounting for Certain Investments in Debt and Equity Securities) or the cost method of accounting. Foreign operations are to be deconsolidated.

Balances Close FY 2007 (1)			
Bil.	Mil.	Thous.	Dols.
1			
22. Total assets	2109	\$	
23. Total liabilities	2114		
24. Total owners' equity – Item 22 minus item 23	2120	\$	

1  <sup>3</sup> Please check box if total liabilities are zero.

**OTHER FINANCIAL AND OPERATING DATA**

	Amount (1)			
	Bil.	Mil.	Thous.	Dols.
25. Net income (loss) – After provision for U.S. Federal, State, and local income taxes	2159	\$		

**EMPLOYEE AND EMPLOYEE COMPENSATION**

**Column (1) – Number of employees at close of FY 2007** – Report all employees on the payroll at the end of the fiscal year that ended in calendar year 2007, 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. Reporting employment (including how to report when employment is subject to unusual variations) is discussed in more detail in instruction 26–28 on page xx.

**Column (2) – Total employee compensation for FY 2007** – Sum of **wages and salaries** and **employee benefit plans (before payroll deductions)**. Expenditures made by an employer to employees, including cash payments, stock based compensation, payments-in-kind, and employer expenditures for employee benefit plans including those required by statute, those resulting from collective bargaining contracts, or those that are voluntary. Base compensation data on payroll records. Report compensation which relates to activities that occurred during the reporting period regardless of whether the activities were charged as an expense on the income statement, charged to inventories, or capitalized. EXCLUDE amounts related to activities of a prior period, such as those capitalized or charged to inventories in prior periods. See instruction 26–28 on page xx for more details of what to include on this line.

*Please report employees and employee compensation by Standard Occupation Classification (SOC). See instruction 26–28 on page xx for a list of the major SOC groups.*

**• EMPLOYEES AND EMPLOYEE COMPENSATION BY SOC**

	Number of employees at close FY 2007 (1)	Employee compensation (2)			
		Bil.	Mil.	Thous.	Dols.
26. Managerial, professional and technical employees (SOC 11-29)	xxxx	2			
27. All other employees (SOC 31-55)	xxxx	2			
28. TOTAL EMPLOYEES AND EMPLOYEE COMPENSATION – Sum of items 26 and 27. Total employees must equal item 64, column (2) on page 7. →	xxxx	2			\$

**• NUMBER OF EMPLOYEES OF ADMINISTRATIVE OFFICES AND OTHER AUXILIARY UNITS**

**29. Administrative office and other auxiliary employees** – Of the total number of employees reported in item 28 column (1) above, how many are administrative office and other auxiliary unit employees?

**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.

Number of employees
1178

**30. Expenditures for property, plant, and equipment for FY 2007** – INCLUDE all purchases by, or transfers (at net book value) to, the U.S. affiliate of land, mineral and timber rights, and other property, plant and equipment. Also INCLUDE capitalized and expensed exploration and development expenditures. EXCLUDE expenditures made in prior years that are reclassified in the current year. Also EXCLUDE land and other property, plant and equipment obtained through the acquisition of or merger with another company during the year. DO NOT net out sales and other dispositions of property, plant, and equipment from the expenditures reported on this line.

Amount (1)			
Bil.	Mil.	Thous.	Dols.
1			
2390	\$		

**31. Research and Development (R&D) expenditures for R&D performed BY the U.S. affiliate** – Report all 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. 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. EXCLUDE the cost of all R&D funded by the U.S. affiliate but performed by others, such as the U.S. affiliate's allocated share of R&D performed by the foreign parent or foreign affiliates of the foreign parent (FAFP). See diagram on page 12 for an illustration of FAFPs.

See instruction 31 on page xx for more details of what to include on this line.

1			
2403			

**EXPORTS AND IMPORTS OF U.S. AFFILIATE**

**NOTE** – Report amounts on a "shipped basis." See instruction 32–33 starting on page xx for details of what to include on these lines.

32. TOTAL EXPORTS, INCLUDING CAPITAL GOODS – Shipped by U.S. affiliate to foreign persons (valued f.a.s. U.S. port) in the fiscal year that ended in calendar year 2007. →	2502	\$		
33. TOTAL IMPORTS, INCLUDING CAPITAL GOODS – Shipped to U.S. affiliate by foreign persons (valued f.a.s. foreign port) and received in the fiscal year that ended in calendar year 2007. →	2515	\$		

**PLEASE CONTINUE ON PAGE 6**

**BEA USE ONLY**

1  
2598

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

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

**34. Did the ownership (both direct and indirect) by ALL foreign parents in the voting securities (or an equivalent interest) of this U.S. affiliate EXCEED 50 percent as of the end of the U.S. affiliate's fiscal year that ended in calendar year 2007?** "Voting interest" is defined in instructions 9–13 on page xx.

<sup>1101</sup> 1  Yes – Answer items 35 through 45.

<sup>1</sup> 2  No – Skip to item 46 on page 7.

**NOTE: Complete items 35 through 45 ONLY if item 34 is answered "Yes."  
Skip to item 46 on page 7 if item 34 is answered "No."**

	Amount (1)	Amount (1)		
		Bil.	Mil.	Thous. Dols.
<b>35. Certain realized and unrealized gains (losses), included in item 25, net income (loss).</b> Report at gross amount <b>before</b> income tax effect. See instruction 35 on page xx for details of what to include on this line.	1			
	2151	\$		
<b>36. Income taxes</b> – Provision for ALL U.S. Federal, State, and local income taxes. Include income tax effect of certain realized and unrealized gains (losses) reported on line 35. Exclude production royalty payments.	1			
	2156			
<b>37. Interest income from all sources (including from foreign parents and affiliates), after deduction of taxes withheld at the source.</b> Do not net against interest expense (item 38).	1			
	2400			
<b>38. Interest expense plus interest capitalized, paid or due to all payees (including foreign parents and affiliates), before deduction of U.S. tax withheld by the affiliate.</b> Do not net against interest income (item 37).	1			
	2401	\$		
<b>39. Acres of land owned</b> – Number of acres of all U.S. land owned at close of FY 2007 wherever carried on the balance sheet. Include acres of land on capital lease from others. Exclude acres of mineral rights if you do not own the land.	1	Number		
	2354			
	1	<b>BEA USE ONLY</b>		
	2599			

**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 40 THROUGH 45 STARTING ON PAGE xx.** Insurance companies also see page xx, 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.

	Amount (1)	Amount (1)		
		Bil.	Mil.	Thous. Dols.
<b>40. TOTAL SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES – Equals item 20, column (2) on page 4, and also sum of items 41 through 43</b> →	2243	\$		
<b>41. Sales of Goods</b>	2244	\$		
<b>42. Investment income included in gross operating revenues (e.g., dividends and interest generated by finance and insurance subsidiaries or units)</b>	2245	\$		
<b>43. Sales of Services, Total – Sum of items 44 through 45</b> →	2246	\$		
<b>44. To U.S. persons</b>	2247			
<b>45. To foreign persons</b>	xxxx			

**PLEASE CONTINUE WITH ITEM 46 ON PAGE 7**

Remarks

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

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

**SCHEDULE OF EMPLOYMENT AND PROPERTY, PLANT, AND EQUIPMENT, BY LOCATION**

**46. Copy your answer from item 34 on page 6 to the appropriate box below and follow the applicable instructions.**

- <sup>1</sup>  **Yes** – Complete all columns in the schedule below for up to **five** primary states in which this affiliate has reportable data. If the affiliate has operations in more than five states, sum the data for the remaining states on line 63. Skip item 47.
- <sup>1</sup>  **No** – Answer item 47 below.

**47. If you answered "No" to item 46, 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 \$175 million at the end of, or for, its fiscal year that ended in calendar year 2007?**

- <sup>1102</sup> <sup>1</sup>  **Yes** – Complete columns 3 and 5 of the schedule below for up to fifteen states. If the affiliate has operations in more than fifteen states, sum the data for the remaining states on line 63.
- <sup>1</sup>  **No** – Complete columns 3 and 5 of the schedule below for up to five states. If this affiliate has operations in more than five states, sum the data for the remaining states on line 63.

Complete the schedule below for up to fifteen states in which the U.S. affiliate has reportable data. If the U.S. affiliate has activities in more than (five or) fifteen states, report those states for which the number of employees (column (3)) is largest. If the number of employees is zero or insignificant, use the gross book value of all land and other property, plant, and equipment (column (5)), to determine the (five or) fifteen primary states.

**Column (3) – Number of employees at close FY-2007** – The total number of employees reported on line 64 column (3) MUST equal the total number of employees reported on page 5 item 28 column (1).

**Column (4)** – Complete this column ONLY if the U.S. affiliate is majority-owned. **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** all other employees on the payrolls of administrative offices or other auxiliary units. Administrative office and other auxiliary employees are defined on page 5 in item 29.

**Column (5)** – **Include** land and other property, plant, and equipment items, whether carried as investments, in fixed asset accounts, or in other balance sheet accounts. **Include** land held for resale, for investment purposes, and all other land owned. **Include** land and other property, plant, and equipment on capital lease from others, but **exclude** that on capital lease to others. **Include** property you own that you lease to others under operating leases. Value land and other property, plant, and equipment at historical cost before any allowances for depreciation or depletion.

**Column (6)** – Complete this column ONLY if the U.S. affiliate is majority owned. **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.

	BEA USE ONLY (1)	STATE — Enter name If applicable, enter name of U.S. territory or possession on the lines below. Additional instructions for items 48–64 are found starting on page 16.	BEA USE ONLY (2)	Number of employees at close FY 2006			Gross book value (historical cost) of all land and other property, plant, and equipment wherever carried on balance sheet, FY 2006 closing balance.			If the U.S. affiliate is majority owned, report the portion of column (5) that is commercial property		
				(3) Number	(4) Number	(5) Bil. Mil. Thous.	(6) Bil. Mil. Thous.					
48.	1		2	3	4	5			6			
49.	1		2	3	4	5			6			
50.	1		2	3	4	5			6			
51.	1		2	3	4	5			6			
52.	1		2	3	4	5			6			
53.	1		2	3	4	5			6			
54.	1		2	3	4	5			6			
55.	1		2	3	4	5			6			
56.	1		2	3	4	5			6			
57.	1		2	3	4	5			6			
58.	1		2	3	4	5			6			
59.	1		2	3	4	5			6			
60.	1		2	3	4	5			6			
61.	1		2	3	4	5			6			
62.	1		2	3	4	5			6			
63.	1	Employment and property, plant, and equipment not accounted for above	2	3	4	5			6			
64.	1	TOTAL — Sum of items 48 through 63	2	3	4	5			6			

**PART III - INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT AND BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAFP)**

Name of U.S. business enterprise shown in item A on page 1 of this BE-12(SF)

Prepare a separate Part III for each direct **and** indirect ownership interest held by a foreign parent in the U.S. affiliate, named on page 1 of this BE-12(SF), at **anytime** during the U.S. affiliate's fiscal year that ended in calendar year 2007. If a foreign parent held **both** a direct **and** indirect ownership interest in this U.S. affiliate, prepare a separate Part III to report each voting interest.

Prepare a separate Part III for all ownership interests held by foreign parents as reported in items 9 through 12 on page 3 of this BE-12 report (and, if applicable, as continued on a separate sheet).

Use this Part III to report the foreign parent with the largest direct voting interest **at year-end**. Use photocopies of this Part III to report all additional direct and indirect voting interests, if any, held by foreign parents in this U.S. affiliate.

**If more than one Part III is filed, do not duplicate positions in, or transactions with, the U.S. affiliate.**

**Section A - IDENTIFICATION OF FOREIGN PARENT AND ULTIMATE BENEFICIAL OWNER**

**65. Number of Part III's filed by the U.S. affiliate - If there is only one, enter "1."**

3010 1

BEA USE ONLY	
Control number	
	-

**66. What is the name of the foreign parent reported in this Part III?**

Name of foreign parent

3011 1

**67. For the foreign parent named above, this Part III is being used to report - Mark (X) one**

**a.**  a **direct** interest in the U.S. affiliate (as reported in items 9 and 10 on page 3). See example 1 at the bottom of page 3 for an illustration of a direct interest.

**b.**  an **indirect** interest in the U.S. affiliate (as reported in items 11 and 12 on page 3). See example 2 at the bottom of page 3 for an illustration of an indirect interest.

**68. If item 67a is marked - Give percent of -**

	Close FY 2007 (1)	Close FY 2006 (2)
<b>a.</b> voting interest owned . . . . .	3014 . %	2 . %
<b>b.</b> equity interest owned . . . . .	3015 . %	2 . %

"Voting interest" and "equity interest" are defined in instruction xx on page xx at the back of this form. If the U.S. affiliate is a partnership, or Limited Liability Company, also see instructions xx and xx on pages xx and xx at the back of this form.

**NOTE -** Sum of item 68 of all Part III's must equal the sum of items 9 and 10 on page 3.

**69. Country in which foreign parent named in item 66 -**

- a.** is incorporated or organized, if a business enterprise, or is a resident, if an individual . . . . .
- b.** is located, if a business enterprise and the country is different from that in item 69a . . . . .

**BEA USE ONLY**

3016 1

3017 1

**70. Enter the industry code**, of the foreign parent named in item 66, from the list of codes at the bottom of this page 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

**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, 2007*.

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><b>01</b> Government and government-owned or -sponsored enterprise, or quasi-government organization or agency</li> <li><b>02</b> Pension fund - Government run</li> <li><b>03</b> Pension fund - Privately run</li> <li><b>04</b> Estate, trust, or nonprofit organization (that part of ISI code 5252 that is estates and trusts)</li> <li><b>05</b> Individual</li> <li><b>Private business enterprise, investment organization, or group engaged in:</b></li> <li><b>06</b> Insurance (ISI codes 5242, 5243, 5249)</li> <li><b>07</b> Agriculture, forestry, fishing and hunting (ISI codes 1110-1140)</li> <li><b>08</b> Mining (ISI codes 2111-2127)</li> <li><b>09</b> Construction (ISI codes 2360-2380)</li> <li><b>10</b> Transportation and warehousing (ISI codes 4810-4939)</li> <li><b>11</b> Utilities (ISI codes 2211-2213)</li> <li><b>12</b> Wholesale and retail trade (ISI codes 4231-4251 and 4410-4540)</li> <li><b>13</b> Banking, including bank holding companies (ISI codes 5221 and 5229)</li> <li><b>14</b> Holding companies, excluding bank holding companies (ISI codes 5512 and 5513)</li> <li><b>15</b> Other finance (ISI codes 5223, 5224, 5231, 5238, that part of ISI code 5252 that is not estates and trusts, and ISI code 5331)</li> </ul> | <ul style="list-style-type: none"> <li><b>16</b> Real estate (ISI code 5310)</li> <li><b>17</b> Information (ISI codes 5111-5191)</li> <li><b>18</b> Professional, scientific, and technical services (ISI codes 5411-5419)</li> <li><b>19</b> Other services (ISI codes 1150, 2132, 2133, 5321, 5329, and 5611-8130)</li> <li><b>Manufacturing, including fabricating, assembling, and processing of goods:</b></li> <li><b>20</b> Food (ISI codes 3111-3119)</li> <li><b>21</b> Beverages and tobacco products (ISI codes 3121 and 3122)</li> <li><b>22</b> Pharmaceuticals and medicine (ISI code 3254)</li> <li><b>23</b> Other chemicals (ISI codes 3251-3259, except 3254)</li> <li><b>24</b> Nonmetallic mineral products (ISI codes 3271-3279)</li> <li><b>25</b> Primary and fabricated metal products (ISI codes 3311-3329)</li> <li><b>26</b> Computer and electronic products (ISI codes 3341-3346)</li> <li><b>27</b> Machinery manufacturing (ISI codes 3331-3339)</li> <li><b>28</b> Electrical equipment, appliances and components (ISI codes 3351-3359)</li> <li><b>29</b> Motor vehicles and parts (ISI codes 3361-3363)</li> <li><b>30</b> Other transportation equipment (ISI codes 3364-3369)</li> <li><b>31</b> Other manufacturing (ISI codes 3130-3231, 3261, 3262, 3370-3399)</li> <li><b>32</b> Petroleum manufacturing, including integrated petroleum and petroleum refining without extraction (ISI codes 3242-3244)</li> </ul> |
|---|---|



**PART III – INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT AND BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAFP) – Continued**

**Section A – IDENTIFICATION OF FOREIGN PARENT AND ULTIMATE BENEFICIAL OWNER – Continued**

**Name, Country, and Industry Code of Ultimate Beneficial Owner (UBO)**

**Furnish the name, country, and industry code of the UBO.** 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 xx for the complete definition of UBO.

**See the diagrams at the bottom of this page for examples of the UBO.**

**71. Is the foreign parent named in item 66 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 <sup>1</sup>  **1** Yes – (example 1 below) – *Skip to 74*  
<sup>1</sup>  **2** No – (examples 2A and 2B below) – *Continue with 72*

**72. Enter the name of the UBO of the foreign parent.** If the UBO is an individual, or an associated group of individuals, enter "individual." See instruction II.D. on page xx for the definition of associated group. Identifying the UBO as "bearer shares" is not an acceptable response.

3021 0

**73. Enter country of UBO.** For individuals, see instruction x on page x.

**BEA USE ONLY**

3022 <sup>1</sup>

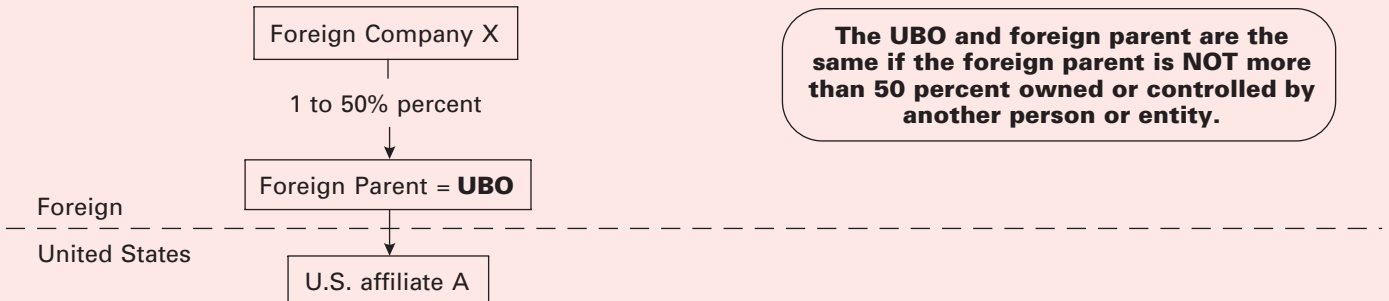
**74. Enter the industry code of the UBO** from the list of codes at the bottom of page 12. **NOTE** – The UBO industry code is based on the consolidated world-wide activities of all majority-owned subsidiaries of the UBO. Select the industry code that best reflects the consolidated world-wide sales of all majority-owned subsidiaries of the UBO.

3023 <sup>1</sup>  DO NOT USE CODE 14 UNLESS YOU RECEIVE PERMISSION FROM BEA. Code "14" (holding company) is normally NOT a valid UBO industry code.

**PLEASE CONTINUE WITH QUESTION 75 ON PAGE 10**

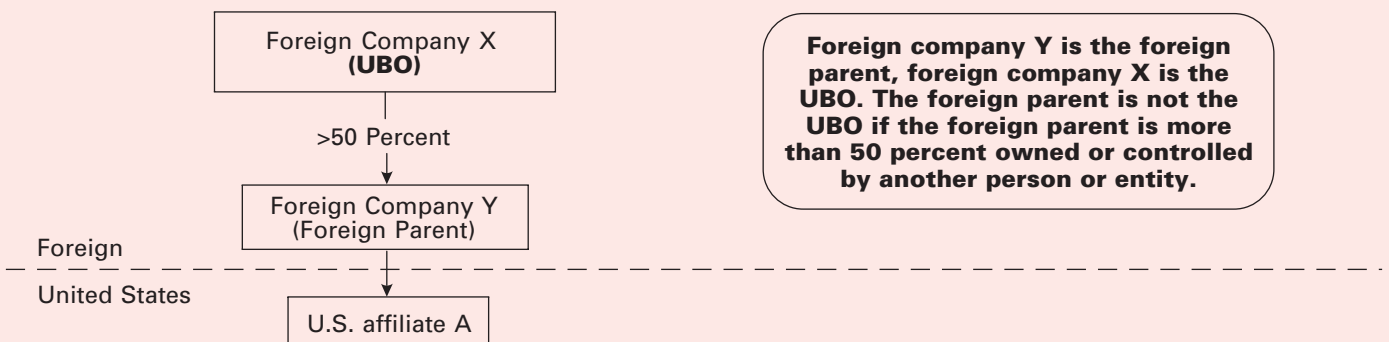
**EXAMPLES OF THE ULTIMATE BENEFICIAL OWNER (UBO)**

**Examples 1 – The UBO and Foreign Parent are the same foreign company**

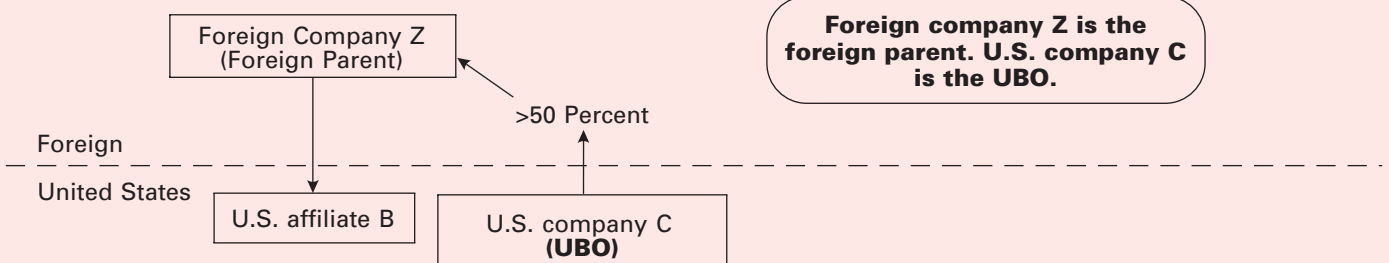


**Examples 2A and 2B – The Foreign Parent is NOT the UBO**

**A. The UBO is a foreign person or entity**



**B. The UBO is a U.S. person or entity**



**NOTE: Arrows connecting boxes represent direction of ownership**

**PART III – INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT AND BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAPP) – Continued**

**NOTE**

Data reported in Sections B, C, D, and E must be for the fully consolidated U.S. affiliate. The consolidation rules are found on page xx at the back of this form.

**75. Copy your answer from item 67 on page 8 to the appropriate box below and follow the applicable instructions.**

- a. <sup>1</sup>  A **direct** interest – Complete all items 76 through 89 on pages 11 and 12. Do not duplicate data reported on other Parts IIIs.
- b. <sup>2</sup>  An **indirect** interest – Complete ONLY items 87, 88, and 89 on page 12. Do not duplicate data reported on other Part IIIs.

**Section B – EQUITY HOLDINGS IN THE U.S. AFFILIATE BY THE FOREIGN PARENT NAMED IN ITEM 66**

Report amounts according to the books of the U.S. affiliate.

**OWNERS' EQUITY ITEMS – WHAT IS THE AMOUNT OF THE FOREIGN PARENT'S SHARE OF:**

**76. Capital stock and additional paid-in capital** – Common and preferred, voting and non-voting capital stock and additional paid-in capital. 3058

**77. Retained earnings (deficit)** 3060

**78. Other, including accumulated other comprehensive income and treasury stock** – Specify major items ↗  
3062

**FOREIGN PARENT'S SHARE OF TOTAL OWNERS' EQUITY OF INCORPORATED OR UNINCORPORATED U.S. AFFILIATE —**

**79.** Sum of items 76 through 78 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 76 through 78, report foreign parent's share of total owners' equity reported in item 24 on page 5. 3063

		CLOSING BALANCE							
		FY 2007 (1)				FY 2006 (2)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
		1				2			
		\$				\$			
		1				2			
		1				2			
		1				2			
		\$				\$			

**Section C – CHANGES IN EQUITY HOLDINGS IN THE U.S. AFFILIATE BY THE FOREIGN PARENT NAMED IN ITEM 66**

Entries in Section C are necessary to identify the amount and cause of any changes in equity holdings by the foreign parent in the U.S. affiliate during the fiscal year that ended in calendar year 2007.

- **Report** the transaction (i.e., market) value of consideration given or received for increases or decreases in the foreign parent's equity holdings in the U.S. affiliate.

**80. Increase by foreign parent of equity interest in U.S. affiliate**

**Include:**

- purchases of capital stock by the foreign parent from the U.S. affiliate;
- contributions of equity by the foreign parent that did not result from the issuance of stock to foreign parent by the U.S. affiliate;
- capitalization of intercompany debt (report the amount of debt converted to equity as the transaction value of the equity increase).

**Exclude changes caused by:**

- carrying net income to the equity account;
- the effect of treasury stock transactions with persons other than the foreign parent;
- reorganizations in capital structure that do not affect total equity.

		Amount (1)			
		Bil.	Mil.	Thous.	Dols.
		1			
		\$			

**81. Decrease by foreign parent of equity interest in U.S. affiliate**

**Include:**

- sales of capital stock by the foreign parent to the U.S. affiliate;
- returns of contributed equity capital to the foreign parent;
- liquidating dividends;
- distributions to the foreign parent following total liquidation of the U.S. affiliate.

**Exclude changes caused by:**

- carrying net losses to the equity account;
- payment of stock or cash dividends (other than liquidating dividends);
- the distribution of earnings during the period;
- the effect of treasury stock transactions with entities other than the foreign parent;
- reorganizations in capital structure that do not affect total equity.

		Amount (1)			
		Bil.	Mil.	Thous.	Dols.
		1			
		\$			
		1			
		\$			

**82. TOTAL – Equals item 80 minus item 81** 3071

**Enter the amounts by which the transactions values reported in items 80 and 81 above –**

**83. exceed the value carried on the books of the U.S. affiliate** 3090

**84. are less than the value carried on the books of the U.S. affiliate** 3091

		For acquisition (1)				For liquidation or sale (2)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
		1				2			
		\$				\$			
		1				2			
		\$				\$			

**PART III - INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT AND BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAP) - Continued**

**Section D - DIRECT EQUITY SHARE IN SELECTED ITEMS OF THE U.S. AFFILIATE BY THE FOREIGN PARENT NAMED IN ITEM 66**

**WHAT IS THE FOREIGN PARENT'S SHARE OF THE U.S. AFFILIATE'S:**

**85. Net income (loss)** reported in item 25 of page 5 of this BE-12(SF)?

3065

Amount (1)			
Bil.	Mil.	Thous.	Dols.

1			
\$			

**86. Dividends or distributed earnings (before deduction of U.S. tax withheld) -** INCLUDE dividends on common and preferred stock of an incorporated U.S. affiliate or the distributed earnings of an unincorporated U.S. affiliate. EXCLUDE stock and liquidating dividends.

Report dividends as of the date they were declared or paid. Any subsequent settlement of dividends declared but not paid SHOULD NOT be reported a second time.

3073

1			
\$			

**PLEASE CONTINUE WITH QUESTION 87 ON PAGE 12**

Remarks

**BEA  
USE  
ONLY**

3200	1	2	3	4
3201	1	2	3	4

**PART III – INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT AND BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAFP) – Continued**

**Section E – LIABILITIES AND RECEIVABLES AND INTEREST PAYMENTS AND RECEIPTS BETWEEN THE U.S. AFFILIATE AND THE FOREIGN PARENT NAMED IN ITEM 66 AND THE FOREIGN AFFILIATES OF THE FOREIGN PARENT NAMED IN ITEM 66**

**Report** all current and long-term intercompany accounts and interest between the U.S. affiliate and (1) the foreign parent named in item 66 and (2) the foreign affiliates, of the foreign parent, named in item 66.

**NOTE: "Foreign affiliates of the foreign parent" is illustrated and defined in the example at the bottom of this page.**

**Derivatives Contracts – Exclude** the value of outstanding financial derivatives contracts and any payments or receipts resulting from the settlement of those contracts. For example, the settlements of interest rate derivatives should NOT be reported as interest or as another type of transaction on this form. Derivatives contracts are covered by the Treasury International Capital (TIC) Form D, Report of Holdings of, and Transactions in, Financial Derivatives Contracts with Foreign Residents.

If leases between the U.S. affiliate and the foreign parent or between the U.S. affiliate and the FAFPs are capitalized, then the outstanding capitalized value should be reported in items 87 and 88 as an intercompany balance. Lease payments should be disaggregated into the amounts that are (i) a reduction in an intercompany balance, to be reported in items 87 or 88, and (ii) interest, to be reported in item 89.

**LIABILITIES AND RECEIVABLES**

**What were the balances owed directly to, and due directly from, the foreign parent and FAFPs?**

- Do NOT net payables against receivables.

**Report amounts according to the books of the U.S. affiliate.**

**87. Liabilities owned directly TO the foreign parent and FAFPs by the U.S. affiliate – Current and long-term** 3056

**88. Receivables due to the U.S. affiliate directly FROM the foreign parent and FAFPs – Current and long-term.** Include certificates of deposit and other deposits of the U.S. affiliate (that would be included in cash on your balance sheet) held by the foreign parent and the FAFPs. 3057

		CLOSING BALANCE							
		FY 2007 (1)				FY 2006 (2)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
	1								
	2								
	\$								
	\$								
	1								
	2								
	\$								
	\$								
	1								
	2								
	\$								
	\$								
	1								
	2								
	\$								
	\$								
	1								
	2								
	\$								
	\$								
	1								
	2								
	\$								
	\$								

**INTEREST**

**What were the interest payments and receipts between the U.S. affiliate and the (1) foreign parent and (2) the FAFPs?**

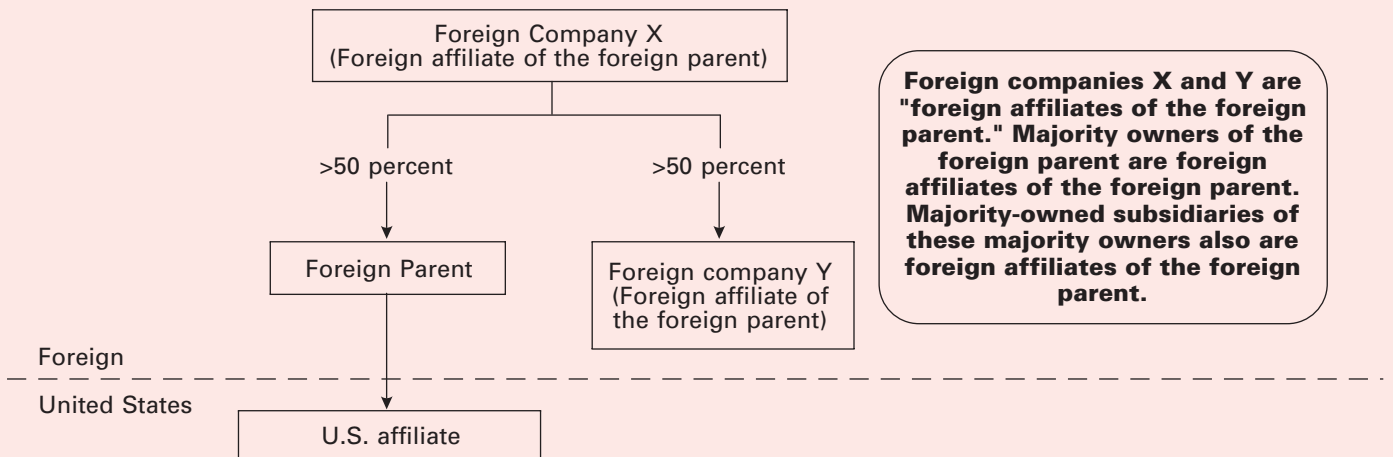
- Include interest on capital leases.
- Do NOT net payments against receipts.

**89. Interest** 3076

**BEA USE ONLY**

DI position 3064

**EXAMPLE OF FOREIGN AFFILIATES OF THE FOREIGN PARENT (FAFP)**



**NOTE: Arrows connecting boxes represent direction of ownership**

**DEFINITIONS OF KEY TERMS**

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

**Foreign parent 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.

Name of U.S. affiliate as shown on page 1 of BE-12(SF)

**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 2006 BE-15 report, in lieu of completing a new Supplement A, you may substitute a copy of that Supplement A or computer printout that has been 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 Form BE-12(SF). Continue listing onto as many additional copied pages as necessary.

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

**BE-12(SF) Supplement A (2007) - LIST OF ALL U.S. AFFILIATES FULLY CONSOLIDATED INTO THE REPORTING U.S. AFFILIATE - Continued**

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 listed in column (2) to file income and payroll taxes (3)	Name of U.S. affiliate that holds the direct ownership interest in the U.S. affiliate listed 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)
1	2	3	4	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		-		%

**FORM BE-12(SF) Supplement B (2007)**  
(REV. 8/2007)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

**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 2006 BE-15 report, in lieu of completing a new Supplement B, you may substitute a copy of that Supplement B or computer printout that has been updated to show any additions, deletions, or other changes.

Supplement B must be completed by a reporting affiliate which files a BE-12(SF) and has a direct ownership interest in a U.S. affiliate(s) which is (are) not fully consolidated. The number of U.S. affiliates listed below must agree with item 8, Part I, of BE-12(SF). Continue listing onto as many additional copied pages as necessary.

**BEA USE ONLY**

Name of U.S. affiliate as shown on page 1 of BE-12(SF)

Page number

<p><b>BEA USE ONLY</b> (1)</p>	<p>(2)</p>	<p>(3)</p>	<p>(4)</p>	<p>(5)</p>	<p>(6)</p>
<p>1</p>	<p>Name of each U.S. affiliate in which a direct interest is held but that is not listed in Supplement A</p>	<p>Address of each U.S. affiliate listed in column (2) Give number, street, city, State, and ZIP Code</p>	<p>Has each affiliate been notified of obligation to file? Mark (X) one</p>	<p>Employer Identification Number used by U.S. affiliate listed in column (2) to file income and payroll taxes</p>	<p>Percentage of direct voting ownership interest that the fully consolidated U.S. affiliate named on page 1 of this Form BE-12(SF) holds in the U.S. affiliate named in column (2). – Enter percentage to nearest tenth.</p>
<p>6211</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6212</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6213</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6214</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6215</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6216</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6217</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6218</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6219</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6220</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>
<p>6221</p>	<p>2</p>	<p>3</p>	<p>4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No</p>	<p>5</p>	<p>6</p>

**BE-12(SF) Supplement B (2007) – LIST OF U.S. AFFILIATES – Continued**

<p><b>BEA USE ONLY</b></p> <p>(1)</p>	<p>Name of each U.S. affiliate in which a direct interest is held but which is not listed in Supplement A</p> <p>(2)</p>	<p>Address of each U.S. affiliate listed in column (2) Give number, street, city, State, and ZIP Code</p> <p>(3)</p>	<p>Has each affiliate been notified of obligation to file? Mark (X) one</p> <p>(4)</p>	<p>Employer Identification Number used by U.S. affiliate listed in column (2) to file income and payroll taxes</p> <p>(5)</p>	<p>Percentage of direct voting ownership interest that the fully consolidated U.S. affiliate named on page 1 of this Form BE-12(SF), holds in the U.S. affiliate named in column (2). – Enter percentage to nearest tenth.</p> <p>(6)</p>
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6222					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6223					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6224					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6225					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6226					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6227					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6228					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6229					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6230					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6231					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6232					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6233					
1			4 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	5	6
6234					



**2007 BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES  
BE-12(SF) INSTRUCTIONS**

**NOTE:** Instructions in section IV are cross referenced by number to the items located on pages 2 to 12 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).

A response is required from persons (in the broad sense, including companies) subject to the reporting requirements of the BE-12 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 E-File system. This may be accomplished by completing and submitting Form BE-12(LF), BE-12(SF), BE-12 Mini, BE-12 BANK, or the BE-12 Claim for Not Filing by May 31, 2008, whichever is applicable.

**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. The control number for this survey is at the top of page 1 of this form.

**Respondent Burden** – Public reporting burden for this short form is estimated to vary from 2 to 11 hours per response, with an average of 7.5 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 0608-0042, Washington, DC 20503.

**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.

**I. REPORTING REQUIREMENTS**

To determine which BE-12 report to file, read the following sections on this page, review the flow chart on page 18, and read section A.2. on page 18.

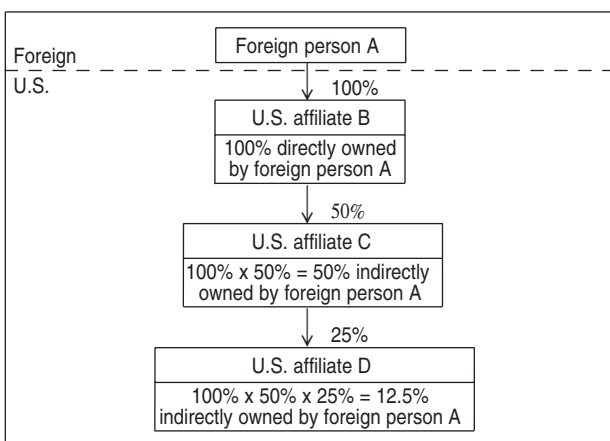
**A. Who must report** – A BE-12 report is required for each U.S. affiliate, i.e., for each U.S. business enterprise in which a foreign person or entity owned or controlled, directly or indirectly, 10 percent or more of the voting securities if an incorporated U.S. business enterprise, or an equivalent interest if an unincorporated U.S. business enterprise, at the end of the business enterprise's fiscal year that ended in calendar year 2007.

**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 (above right), 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.

**Airline 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 below and the flow chart on page 18 to determine if your U.S. business is required to file Form BE-12(SF).

**a.** Were at least 10 percent of the voting rights in your business directly or indirectly owned by a foreign person or entity at the end of your fiscal year that ended in calendar year 2007?

- 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-12(SF). File the BE-12 Claim for Not Filing by May 31, 2008.

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

- Yes – You are not required to file Form BE-12(SF). File Form BE-12 Bank by May 31, 2008.
- 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 fiscal year that ended in calendar year 2007?

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

**d.** Do different foreign persons hold a direct and an indirect ownership interest in this U.S. affiliate (exception d to the consolidation rules)? (The consolidation rules are found in instruction IV.2. on pages xx and xx.)

- Yes – Continue with question e.
- No – This U.S. affiliate must be consolidated on the BE-12 report of the U.S. affiliate that owns it more than 50 percent. File the BE-12 Claim for Not Filing by May 31, 2008, 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 \$40 million at the end of, or for, its 2007 fiscal year?

- Yes – Continue with question f.
- No – You are not required to file a Form BE-12(SF). File Form BE-12 Mini by May 31, 2008.

**f.** Was the U.S. affiliate majority-owned by its foreign parents at the end of its fiscal year that ended in calendar year 2007? (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.)

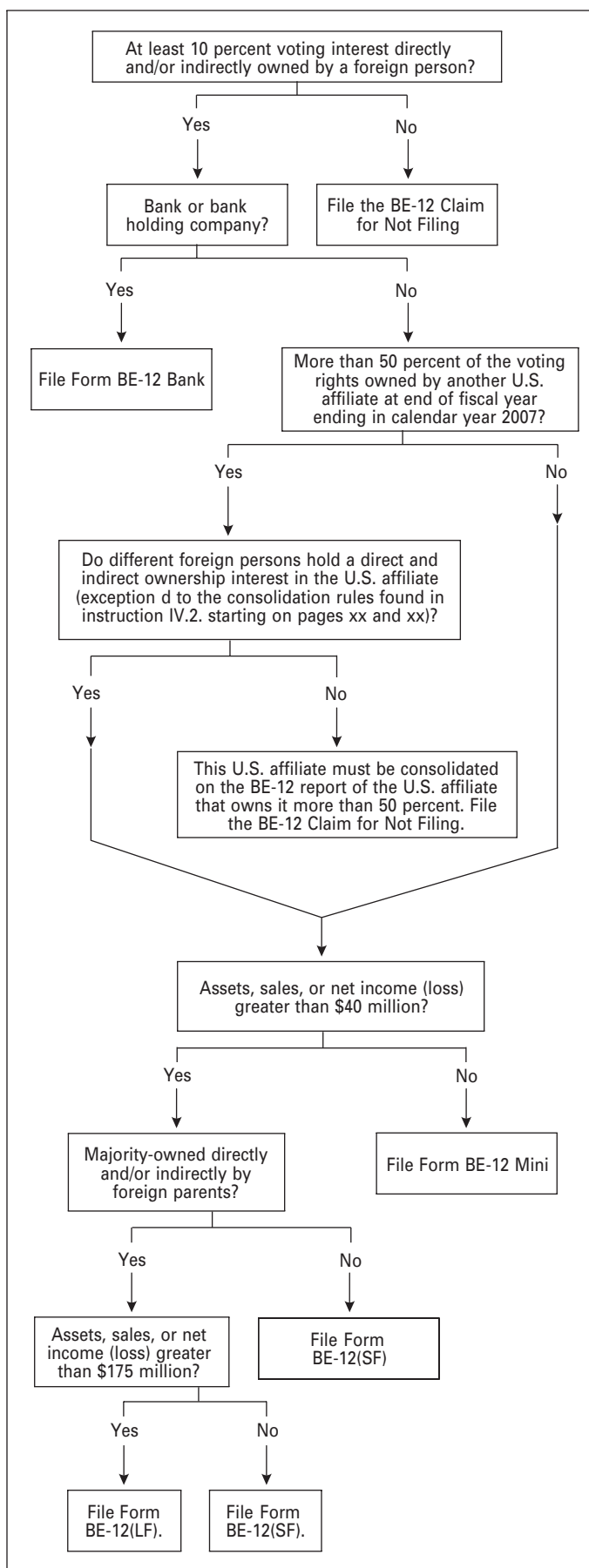
- Yes – Continue with question g.
- No – File Form BE-12(SF) by May 31, 2008.

**g.** 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 \$175 million at the end of, or for, its fiscal year that ended in calendar year 2007?

- Yes – File Form BE-12(LF) by May 31, 2008.
- No – File Form BE-12(SF) by May 31, 2008.

## I. REPORTING REQUIREMENTS – Continued

### Which Form to File?



### 2. Who must file Form BE-12(SF) – 2007 Benchmark Survey of Foreign Direct Investment in the United States – (Short Form)?

A Form BE-12(SF) must be completed and filed by May 31, 2008, 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 2007, if:

- It is not a bank, **and**
- 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), 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 \$40 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2007, **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 2007, 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 2007, **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 \$175 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2007.

**B. 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 xx.

## II. DEFINITIONS

- 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.
- Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- Person**, means any individual, branch, partnership, 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).
- 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:
  - Members of the same family.
  - A business enterprise and one or more of its officers or directors.
  - Members of a syndicate or joint venture.
  - A corporation and its domestic subsidiaries.
- Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- 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.
- 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.
- 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.
- Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- 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.
- U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.
  - 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.
  - 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.

## II. DEFINITIONS – Continued

- 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. Foreign parent 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 foreign parent 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. 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.

## 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 requested to do otherwise 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 2006 balances for changes in the consolidated reporting entity that occurred during fiscal year 2007. The close fiscal year 2006 balances should represent the reporting entity as it existed at the close of fiscal year 2006.
- 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-12(SF) 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 items 32 and 33, exports and imports of U.S. affiliate on a shipped basis, and items 48 through 64, 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. 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 12 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-12 must aggregate all such holdings. See Instruction I.B. on page xx for details.

Do not prepare your BE-12 report using the proportionate consolidation method. Except as noted in b. through d. above, consolidate all majority-owned U.S. affiliates into your BE-12 report.

**Unless the exceptions discussed below apply, any deviation from these consolidation rules must be approved in writing each year by BEA.** In accordance with FAS 94 (Consolidation of all Majority-Owned Subsidiaries), consolidation of majority-owned subsidiaries is required even if their operations are not homogeneous with those of the U.S. affiliate that owns them. If you file deconsolidated reports, you must file the same type of reports (i.e., BE-12(LF), BE-12(SF), or BE-12 Mini) that would have been required if a consolidated report was filed. Report such affiliates, if not consolidated, using the equity method of accounting. DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for affiliates not consolidated.

**Exceptions to consolidated reporting** – Note: If a U.S. affiliate is not consolidated into its U.S. parent's BE-12 report, then it **must** be listed on the Supplement B of its parent's BE-12 report, unless the report is a BE-12 Mini which does not have a Supplement B, and each U.S. affiliate **must** file its own Form BE-12(LF), BE-12(SF), BE-12 Mini, or BE-12 BANK.

#### 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 (e.g., receivables or liabilities) for holdings reported using the equity method.

DO NOT list any foreign holdings of the U.S. affiliate on the Supplement B.

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.

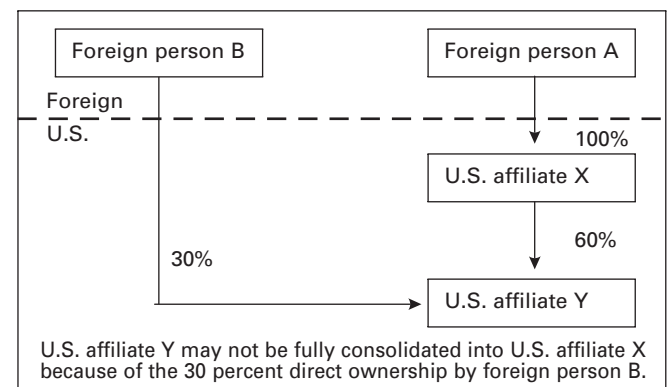
Real estate located outside the United States that is owned by the U.S. affiliate and generates revenues for, or reimbursements to, the U.S. affiliate, or that facilitates the foreign operations of the U.S. affiliate is a foreign subsidiary and should not be consolidated on this BE-12 report.

- b. Do not consolidate banking activities.** If the nonbank U.S. affiliate reporting on the Form BE-12(SF) 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-12(SF). Banks are required to file a separate BE-12 BANK report. List any such banking activities on the Supplement B of the BE-12(SF).

Include on Form BE-12(SF) 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 (e.g., receivables or liabilities) for banking operations reported using the equity method.

For BE-12 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/surveys/fdiusfaq.htm#1](http://www.bea.gov/surveys/fdiusfaq.htm#1) Scroll to the heading "BE-12 – Benchmark 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. on this page for additional information about partnerships.
- d.** 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-12 report. (See diagram below.)



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. DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for affiliates not consolidated.

- 4. Reporting period** – The report covers the U.S. affiliate's 2007 fiscal year. The affiliate's 2007 fiscal year is defined as the affiliate's financial reporting year that had an ending date in calendar year 2007.

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

##### Special Circumstances:

- a. 52/53 week fiscal year** – Affiliates having a "52/53 week" fiscal year that ends within the first week of January 2008 are considered to have a 2007 fiscal year and should report December 31, 2007 as their 2007 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 2007.
- c. Change in fiscal year**
- (1) New fiscal year ends in calendar year 2007** – A U.S. affiliate that changed the ending date of its financial reporting year should file a 2007 BE-12 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, 2006 fiscal year end date but changed its 2007 fiscal year end date to March 31. Affiliate A should file a 2007 BE-12 report covering the 12 month period from April 1, 2006 to March 31, 2007.
- (2) No fiscal year ending in calendar year 2007** – If a change in fiscal year results in a U.S. affiliate not having a fiscal year that ended in calendar year 2007, the affiliate should file a 2007 BE-12 report that covers 12 months. The following example illustrates the reporting requirements.
- Example 2:** U.S. affiliate B had a December 31, 2006 fiscal year end date but changed its next fiscal year end date to March 31. Instead of having a short fiscal year ending in 2007, affiliate B decides to have a 15 month fiscal year running from January 1, 2007 to March 31, 2008. Affiliate B should file a 2007 BE-12 report covering a 12 month period ending in calendar year 2007, such as the period from April 1, 2006 to March 31, 2007.
- For 2008, assuming no further changes in the fiscal year end date occur, affiliate B should file a BE-12 report covering the 12 month period from April 1, 2007 to March 31, 2008.

#### Section B – OWNERSHIP AND INDUSTRY CLASSIFICATION OF U.S. AFFILIATE

##### 5. Reporting for a U.S. business that became a U.S. affiliate during fiscal year 2007 –

- a. A U.S. business enterprise that was newly established in fiscal year 2007** 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 2007. 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 2007 that became a U.S. affiliate in fiscal year 2007** should file a report covering a full 12 months of operations.

##### 6. 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-12 report. Do not combine two or more directly owned U.S. affiliates on a single BE-12 report. The only exception is for U.S. affiliates that are real estate investments. See Instruction I.B. on page xx and Instruction V.C. on page xx for details.
- (2) Indirectly owned** – Except as noted in the exceptions to the consolidation rules on pages xx and xx, 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-12 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 9-13 on page xx. 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 9-13 on page xx. 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" on page xx.

##### (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.**

These rules can be found on our web site at: [www.bea.gov/bea/surveys/fdiusfaq.htm#1](http://www.bea.gov/bea/surveys/fdiusfaq.htm#1) Scroll to the heading "BE-12 – Benchmark 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 9-13 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 consolidated** – Report equity investments in U.S. business enterprises that are not consolidated and that are 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 (e.g., receivables or liabilities) 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 (Accounting for Certain Investments in Debt and Equity Securities) or the cost basis of accounting.

List all U.S. affiliates of this U.S. affiliate, in which a foreign parent has an indirect voting interest of at least 10 percent, and that are not consolidated in this Form BE-12(SF), on the Supplement B.

##### 9-13

##### 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 instruction 6b(1) and 6b(2)(a) starting on page xx for information about determining the voting interest for partnerships. See instruction 6c 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.

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

##### 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 shares 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.

#### 15-20

##### 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)** – Report hybrid or mortgage REITS in ISI code 5252 (Funds, trusts, and other financial vehicles). Report all other REITS in ISI code 5310 (Real estate).

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

##### 26-28 EMPLOYEES AND EMPLOYEE COMPENSATION

###### Column (1) – Number of employees at close of FY 2007 –

Employment is the number of full-time and part-time employees on the payroll at the end of FY 2007, excluding contract workers and other workers not carried on the payroll of this U.S. affiliate. If employment at the end of FY 2007, or the count taken at some other time during FY 2007, 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 2007. If given, the average should be the average for FY 2007 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 (2) – Total employee compensation for FY 2007** – Base employee compensation on payroll records related to activities during the reporting period. Employee compensation consists of:

**a. 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.

**b. 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.

**Standard Occupation Classification System (SOC) Groups** – The major SOC groups are as follows:

**Managerial, professional and technical employees** – Covers employees in Standard Occupation Classification System (SOC) groups 11–29 listed below:

- 11-Management Occupations
- 13-Business and Financial Operations Occupations
- 15-Computer and Mathematical Occupations
- 17-Architecture and Engineering Occupations
- 19-Life, Physical, and Social Science Occupations
- 21-Community and Social Services Occupations
- 23-Legal Occupations
- 25-Education, Training, and Library Occupations
- 27-Arts, Design, Entertainment, Sports, and Media Occupations
- 29-Healthcare Practitioners and Technical Occupations

**All other employees** – Covers employees in SOC groups 31–55 listed below:

- 31-Healthcare Support Occupations
- 33-Protective Service Occupations
- 35-Food Preparation and Serving Related Occupations
- 37-Building and Grounds Cleaning and Maintenance Occupations
- 39-Personal Care and Service Occupations
- 41-Sales and Related Occupations
- 43-Office and Administrative Support Occupations
- 45-Farming, Fishing, and Forestry Occupations
- 47-Construction and Extraction Occupations
- 49-Installation, Maintenance, and Repair Occupations
- 51-Production Occupations
- 53-Transportation and Material Moving Occupations
- 55-Military Specific Occupations

The **SOC** and related information can be found at the Bureau of Labor Statistics web site [www.bls.gov](http://www.bls.gov). Using the A–Z index, select Standard Occupational Classification.

**31. Research and development expenditures** – 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 **creating 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.

#### 32-33 EXPORTS AND IMPORTS OF U.S. AFFILIATE

**U.S. trade in goods (exports and imports)** – Report amounts on U.S. trade in goods between U.S. affiliates and foreign persons 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 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 billed or charged. The "charged" basis may be used if there is no material difference between it and the "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 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.

If a material difference exists between the "charged" and "shipped" basis, trade must be reported on the "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.

**Packaged general use computer software** – INCLUDE exports and imports of packaged general use computer software. Value such exports and imports at full transactions 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 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 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.

**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.

**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 goods that are in-transit. In-transit goods are goods that are not processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter 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).

**Timing** – Only include goods actually shipped between the United States and a foreign country during FY 2007 regardless of when the goods were charged or consigned. For example, include goods shipped by the U.S. affiliate in FY 2007 that were charged or consigned in FY 2008, but exclude goods shipped in FY 2006 that were charged or consigned in FY 2007.

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

**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.

NOTE: Goods shipped by an independent carrier or a freight forwarder to or from the United States on behalf of and 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 costs, 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.

**35. 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.

Report at **gross amount before** income tax effect. Report gains (losses) resulting from:

- a. Sales or other dispositions of financial assets, including investment securities; FAS 115 (Accounting for Certain Investments in Debt and Equity Securities) 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 below;
- b. Sale or disposition of land, other property, plant and equipment, or other assets, and FAS 144 (Accounting for the Impairment or Disposal of Long-Lived Assets) impairment losses. DO NOT include gains or losses from the sale of inventory assets in the ordinary course of trade or business. Real estate companies, see special instructions below;
- c. Goodwill impairment as defined by FAS 142 (Goodwill and Other Intangible Assets);
- 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;
- 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 15 through 20 on page 4;
- 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;
- 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, writeoffs of tangible and intangible assets; gains (losses) from the sale or other disposition of capital assets; and gains (losses) from the sale or other disposition of financial assets, including securities, to the extent not included above. Exclude legal judgments;
- h. The cumulative effect of a change in accounting principle; and
- i. Change in accounting estimate of provision for expected stock option forfeitures under the inception method as defined by FAS 123 (Share-Based Payment).

**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 35:

- (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 gains only in the ending owners' equity balance (line 24).

EXCLUDE income from explicit fees and commissions from item 35. Include income from these fees and commissions as part of your income from operations on lines 15 through 20.

**(2) Real estate companies** – Include in item 35:

- (a) Impairment losses as defined by FAS 144, and
- (b) Goodwill impairment as defined by FAS 142.

**EXCLUDE** the revenues earned and expense incurred from the sale of real estate you own. Such revenues should be reported as part of operating income on lines 15 through 20.

#### 40-45 DISTRIBUTION OF SALES OR GROSS OPERATING REVENUES

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

**41. 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.
- 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 43.
- Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services on line 43.
- 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 43.

**42. 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 43.

**43. 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 41.
- 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.

#### 46-64

#### SCHEDULE OF EMPLOYMENT AND PROPERTY, PLANT, AND EQUIPMENT, BY LOCATION

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.

**Foreign** – Except as noted below, exclude employees, land, and other property, plant, and equipment, located outside of the United States from 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.

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

- 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 under the category "foreign." Exclude these employees from the BE-12 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 under the category "foreign." 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-12 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 under the category "foreign." However, items that frequently switches locations, such as aircraft, railroad rolling stock, ships of U.S. registry, or vehicles engaged in interstate transportation should be reported as "Other property, plant, and equipment."
- e. Use the category "foreign" 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 books (i.e., not carried on the books of a foreign affiliate owned by the U.S. affiliate).

**Other property, plant, and equipment** – Use the category "other property, plant, and equipment" 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, undersea cable, and other communication channels that are not located in a specific state, (4) property leased to others, except land or buildings, under operating leases, and (5) property owned by a foreign parent but which is in the possession of an unincorporated U.S. affiliate in the United States.

#### 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-12 report should include the following assets even though they are not acceptable under SAP: **1.** non-trusted 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-12(SF):

- 20 TOTAL SALES** – Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from unconsolidated affiliates. Also exclude income that is to be reported in item 35., certain realized and unrealized gains (losses).
  - 22 TOTAL ASSETS** – Include current items such as agents' balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (net of allowances for doubtful items) arising from the ordinary course of business.
  - 23 TOTAL LIABILITIES** – 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.
  - 24 TOTAL OWNERS' EQUITY** – Include mandatory securities valuation reserves that are appropriations of retained earnings.
  - 35 CERTAIN REALIZED AND UNREALIZED GAINS (LOSSES)** – See special instructions for item 35. on page xx of this form.
- 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 22 and 23 of Form BE-12(SF).
- 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-12 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.

**Aggregation of real estate investments** – A foreign person holding real estate investments that are reportable on the BE-12 must aggregate all such holdings for the purpose of applying the reporting criteria (see instruction I.B. on page xx of this form). File a single BE-12 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 \$175 million (positive or negative), file Form BE-12(LF). If permission has been received in writing from BEA to file on a non-aggregated basis, you must report each real estate investment on a Form BE-12(LF) if a Form BE-12(LF) would have been required on an aggregated basis. Non-aggregated 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-12 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-12 survey forms might be:

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

There are questions throughout the Form BE-12(SF) 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 BE-12 report must be filed by the affiliate (subject to the 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 BE-12 report 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 BE-12 report must be filed by the owned affiliate. The BE-12 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 "total sales" and should report the non-operating 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).

## V. SPECIAL INSTRUCTIONS – Continued

### 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 such 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-12

- A. **Due date** – File a fully completed and certified Form BE-12(LF), BE-12(SF), BE-12 Mini, or BE-12 BANK no later than May 31, 2008. If the U.S. affiliate is exempt from filing Form BE-12(LF), BE-12(SF), BE-12 Mini, or BE-12 BANK, complete and file the BE-12 Claim For Not Filing by May 31, 2008.
- 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/efile](http://www.bea.gov/efile) for details about this option. To obtain forms online go to: [www.bea.gov/surveys/fdiusurv.htm](http://www.bea.gov/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](mailto: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 **NO LATER THAN** the original 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](mailto:be12/15@bea.gov). Forms can be obtained from BEA's web site at: [www.bea.gov/surveys/fdiusurv.htm](http://www.bea.gov/surveys/fdiusurv.htm)
- E. **Annual stockholders' report or other financial statements** – Please furnish a copy of your FY 2007 annual stockholders' report or Form 10K when filing the BE-12 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 on page 17.)
- G. **Where to send the report** – To file electronically, see our web site at [www.bea.gov/efile](http://www.bea.gov/efile)

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  
BE49(A)  
Shipping and Receiving Section, M100  
1441 L Street, NW  
Washington, DC 20005