



**MANDATORY — CONFIDENTIAL**

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

**DUE DATE: MAY 31, 2008**

**ELECTRONIC FILING:** Go to [www.bea.gov/efile](http://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

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

**ASSISTANCE**

**Email:** [be12/15@bea.gov](mailto:be12/15@bea.gov)

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

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

**Copies of blank forms:** [www.bea.gov/surveys/fdiusurv.htm](http://www.bea.gov/surveys/fdiusurv.htm)

**Definitions of key terms – See pages 6 and 7.**

**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 read the **INSTRUCTIONS** starting on page 6 before completing this form. **Insurance and real estate companies** see instructions on page 6.

- **Who may file Form BE-12 Mini** – Complete Form BE-12 Mini if (1) you are NOT a bank, bank holding company, or financial holding company and (2) **none** of the following three items – total assets (do not net out liabilities), sales or gross operating revenues (excluding sales taxes), **and** net income (after provision for U.S. income taxes) – for the U.S. affiliate (not just the foreign parent’s share) exceeded \$40 million (positive or negative) at the end of, or for, its fiscal year that ended in calendar year 2007. If you do not meet these filing criteria see instruction I.A. starting on page 6 to determine which form to file.
- **Accounting principles** – Use U.S. Generally Accepted Accounting Principles (U.S. GAAP) in completing Form BE-12 Mini unless otherwise specified by a specific instruction. References in the instructions to Financial Accounting Standards Board statements are referred to as "FAS." DO NOT use International Financial Reporting Standards or reporting standards that are not U.S. GAAP.
- **U.S. affiliate’s 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 III.13 starting on page 7.
- **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 6 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 Mini, 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**

**Additional Instructions** by line item are at the back of this form starting with Section III of the instructions on page 7.

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

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

**2. 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 instruction 16a.(1) on page 8.

1101 <sup>1</sup>  Yes  
<sup>1</sup>  No

	Amount				
	Bil.	Mil.	Thous.	Dols.	
<b>3. Total assets at the close of the fiscal year that ended in calendar year 2007 – Do not net out liabilities.</b>	1				
2109	\$				
<b>4. Sales or gross operating revenues for the fiscal year that ended in calendar year 2007, excluding sales taxes – Do not give gross margin.</b>	1				
2149					
<b>5. Net income (loss) for the fiscal year that ended in calendar year 2007, after provision for U.S. Federal, State, and local income taxes.</b>	1				
2159					
<b>6. Total liabilities at the close of the fiscal year that ended in calendar year 2007.</b>	1				<b>1</b> <input type="checkbox"/> <sup>3</sup>
2114	\$				<b>Please check box if total liabilities are zero.</b>

**7. Number of employees at close of fiscal year that ended in calendar year 2007 –** See instruction 9 on page 7 on how to report employment (including how to report when employment is subject to unusual variations).

	Number
2700	1 <input type="text" value=""/>

**8. Major product(s) or service(s) of the 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.")

0

1163

**9. Industry code of the fully consolidated U.S. affiliate –** Enter the 4-digit International Surveys Industry (ISI) code of the industry with the largest sales or gross operating revenues. 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/bea/surveys/2002be799print.pdf](http://www.bea.gov/bea/surveys/2002be799print.pdf)

	ISI Code
1164	1 <input type="text" value=""/>

**10. Did any ONE of the following three items – total assets, sales or gross operating revenues (excluding sales taxes), or net income (loss) – exceed \$15 million at the end of, or for, the U.S. affiliate's fiscal year that ended in calendar year 2007?**

1100 <sup>1</sup>  Yes – Skip to item 13 on page 4 but review the diagram on page 3 to assist you in answering items 16 through 26.  
<sup>1</sup>  No – On the remainder of this form, complete ONLY items 11 and 12. DO NOT complete items 13 through 33.

**11. Please enter the country of the foreign parent in the box below.** The 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 in this U.S. affiliate. See diagram on page 3.

<b>Country of foreign parent</b>	<b>BEA USE ONLY</b>
3016	1 <input type="text" value=""/>

**12. Please enter the country of the ultimate beneficial owner (UBO) in the box below.** 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 diagram on page 3.

<b>Country of UBO</b>	<b>BEA USE ONLY</b>
3022	1 <input type="text" value=""/>

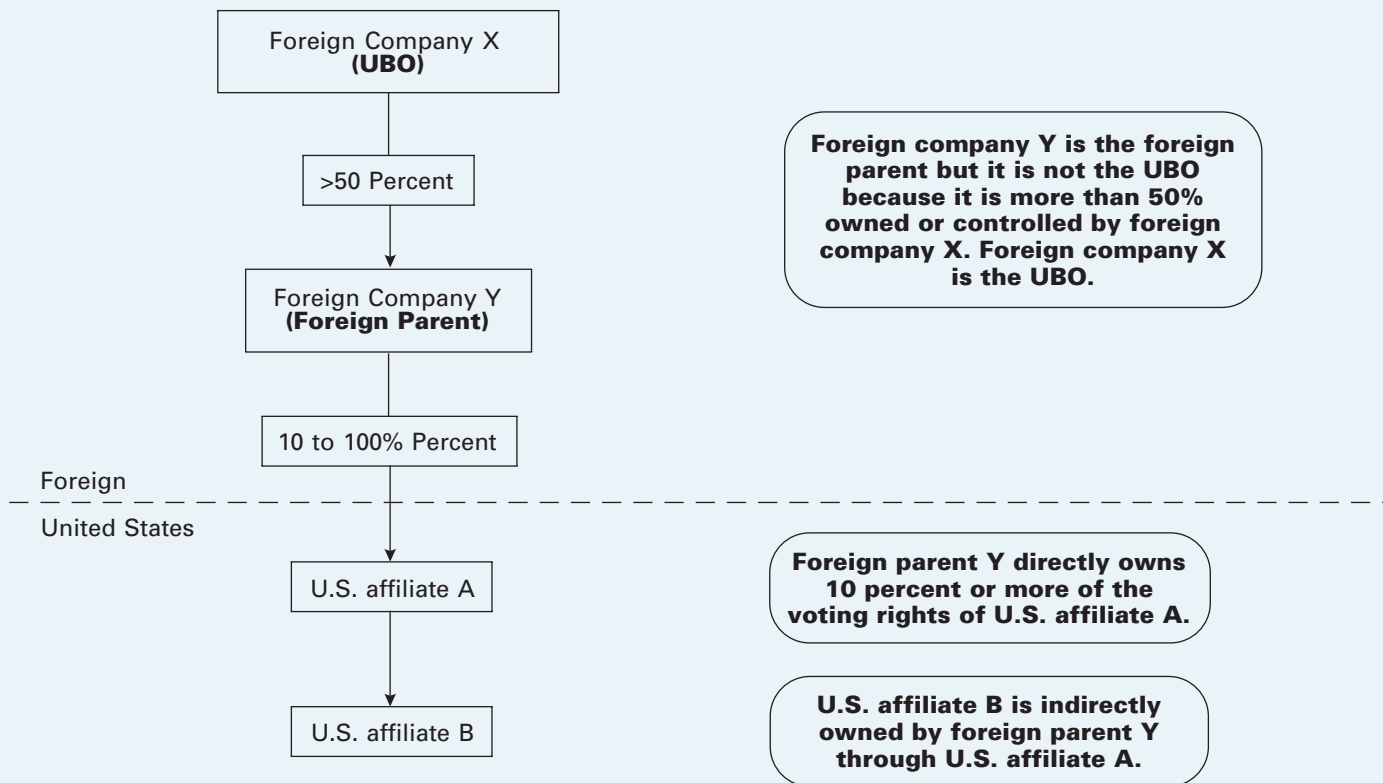
**BEA USE ONLY**

xxxx

Remarks

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

**ILLUSTRATION OF FOREIGN PARENT, ULTIMATE BENEFICIAL OWNER (UBO), DIRECT FOREIGN OWNERSHIP, AND INDIRECT FOREIGN OWNERSHIP**



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

**PART II**

**NOTE: Complete items 13 through 33 ONLY if the answer to item 10 on page 2 is "Yes."**

**13. Consolidated reporting by the U.S. affiliate** – The consolidation rules are found in instruction 13 on page 7. **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 e described in the consolidation rules on page 7 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 Form **BE-12(X)** with item (e) completed on page 2 of that form. The BE-12(X) can be downloaded from our web site at: [www.bea.gov/surveys/fdiusurv.htm](http://www.bea.gov/surveys/fdiusurv.htm)
- <sup>1</sup> <sup>2</sup>  **No – If "No"** – Complete this report in accordance with the consolidation rules in instruction 13 on page 7.

**14. REPORTING PERIOD** – Reporting period instructions are found in instruction 14 on page 7.

Month	Day	Year
1		

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**.

**15. 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 15 on page 7. \_\_\_\_\_
- <sup>1</sup> <sup>2</sup>  **No**

Month	Day	Year
1		

**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 16a.(1) on page 8.

**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. *See diagram on page 3.*

**Ownership held directly by foreign parents of this U.S. affiliate** – Give name of each foreign parent with direct ownership. (If more than 2, continue on a separate sheet.) *See diagram on page 3.*

	Country of incorporation or organization (if a business enterprise) or residence (if an individual). For individuals, see instruction 16b. on page 8.	REPORTING PERIOD		BEA USE ONLY (3)
		Close FY 2007	Close FY 2006	
		(1)	(2)	
<b>16.</b>		1 .	2 .	3
	1017	. %	. %	
<b>17.</b>		1 .	2 .	3
	1018	. %	. %	

**Ownership held indirectly by foreign parents of this U.S. affiliate through another U.S. affiliate** – Give name of each higher tier U.S. affiliate with direct ownership in this U.S. affiliate. (If more than 2, continue on a separate sheet.) *See diagram on page 3.*

	Country of foreign parent of U.S. affiliate	Close FY 2007	Close FY 2006	BEA USE ONLY
		(1)	(2)	(3)
<b>18.</b>		1 .	2 .	3
		1063	. %	
<b>19.</b>		1 .	2 .	3
		1064	. %	

**20. Ownership held directly by all other persons (do not list names)**

		1 .	2 .	
	1061	. %	. %	
<b>TOTAL of ownership interests — Sum of items 16 through 20</b>		<b>100.0%</b>	<b>100.0%</b>	

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

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

<sup>3011</sup> 0

**22. Enter the foreign parent industry code**, from the list of codes at the bottom of page 5, which 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.

<sup>3018</sup> 1

Remarks

**PART II – Continued**

**Furnish the name, country, location, and industry code of the UBO for each foreign parent.** If there is more than one foreign parent, list each on a separate sheet and give the name of its UBO and the UBO's country of location and industry code.

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.L. on page 7 for the complete definition of UBO. Also see the diagram on page 3.

**23. Is the foreign parent also the UBO?** If the foreign parent is owned or controlled more than 50 percent by another person or entity, then the foreign parent is NOT the UBO. See diagram on page 3.

3019 <sup>1</sup>  Yes – Skip to 26                      <sup>1</sup>  No – Continue with 24

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

3021 0

**25. Enter country of UBO.** For individuals, see instruction 16b on page 8.

**BEA USE ONLY**

3022 1

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

3023 1

DO NOT USE CODE 14 UNLESS YOU GET PERMISSION FROM BEA.  
Code "14" (holding company) is normally NOT a valid UBO industry code.

**27. Dividends or earnings distributed** – Enter amount of (a) dividends declared, **excluding** stock and liquidating dividends, on common and preferred stock (if incorporated) or (b) earnings distributed (if unincorporated). Report amounts **before** deduction of withholding taxes.

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

2215 \$

**28. Total employee compensation for FY 2007** – Employee compensation is defined in instruction 28 on page 8.

1

2253 \$

**29. Expenditures for property, plant, and equipment for fiscal year that ended in calendar year 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.

1

2390 \$

**30. Gross book value (at historical cost) of all land and other property, plant, and equipment, at the close of the fiscal year that ended in calendar year 2007.**

5

2799 \$

**31. Copy your answer from item 2 on page 2 of this report to the appropriate box below and follow the applicable instructions.**

<sup>1</sup>  Yes – Continue with item 32.                      <sup>1</sup>  No – Skip to item 33.

**32. Number of acres of U.S. land owned. Exclude acres of mineral rights if you do not own the land.**

Number

1

2354

**33. Research and development (R&D) expenditures for R&D performed BY the U.S. affiliate** – R&D is defined in instruction 33 on page 8.

Amount  
(1)

Bil.	Mil.	Thous.	Dols.
1			

2403 \$

**BEA USE ONLY**

2599

**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*.

- |  |   |
|--|---|
| <b>01</b> Government and government-owned or -sponsored enterprise, or quasi-government organization or agency                           | <b>16</b> Real estate (ISI code 5310)   |
| <b>02</b> Pension fund — Government run  | <b>17</b> Information (ISI codes 5111–5191)   |
| <b>03</b> Pension fund — Privately run   | <b>18</b> Professional, scientific, and technical services (ISI codes 5411–5419)  |
| <b>04</b> Estate, trust, or nonprofit organization (that part of ISI code 5252 that is estates and trusts)                               | <b>19</b> Other services (ISI codes 1150, 2132, 2133, 5321, 5329, and 5611–8130)  |
| <b>05</b> Individual   | <b>Manufacturing, including fabricating, assembling, and processing of goods:</b>   |
| <b>Private business enterprise, investment organization, or group engaged in:</b>  | <b>20</b> Food (ISI codes 3111–3119)  |
| <b>06</b> Insurance (ISI codes 5242, 5243, 5249)   | <b>21</b> Beverages and tobacco products (ISI codes 3121 and 3122)  |
| <b>07</b> Agriculture, forestry, fishing and hunting (ISI codes 1110–1140)   | <b>22</b> Pharmaceuticals and medicine (ISI code 3254)  |
| <b>08</b> Mining (ISI codes 2111–2127)   | <b>23</b> Other chemicals (ISI codes 3251–3259, except 3254)  |
| <b>09</b> Construction (ISI codes 2360–2380)   | <b>24</b> Nonmetallic mineral products (ISI codes 3271–3279)  |
| <b>10</b> Transportation and warehousing (ISI codes 4810–4939)   | <b>25</b> Primary and fabricated metal products (ISI codes 3311–3329)   |
| <b>11</b> Utilities (ISI codes 2211–2213)  | <b>26</b> Computer and electronic products (ISI codes 3341–3346)  |
| <b>12</b> Wholesale and retail trade (ISI codes 4231–4251 and 4410–4540)   | <b>27</b> Machinery manufacturing (ISI codes 3331–3339)   |
| <b>13</b> Banking, including bank holding companies (ISI codes 5221 and 5229)  | <b>28</b> Electrical equipment, appliances and components (ISI codes 3351–3359)   |
| <b>14</b> Holding companies, excluding bank holding companies (ISI codes 5512 and 5513)  | <b>29</b> Motor vehicles and parts (ISI codes 3361–3363)  |
| <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) | <b>30</b> Other transportation equipment (ISI codes 3364–3369)  |
|  | <b>31</b> Other manufacturing (ISI codes 3130–3231, 3261, 3262, 3370–3399)  |
|  | <b>32</b> Petroleum manufacturing, including integrated petroleum and petroleum refining without extraction (ISI codes 3242–3244) |

**BENCHMARK SURVEY OF  
FOREIGN DIRECT INVESTMENT IN THE UNITED STATES – 2007  
BE-12 MINI INSTRUCTIONS**

**NOTE:** Instructions in section III are cross referenced by number to the items located on pages 2 to 5 of this form.

**Authority** – This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act (P.L. 94-472., 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended, hereinafter "the Act"), and the filing of reports is MANDATORY pursuant to Section 5(b)(2) of the Act (22 U.S.C. 3104).

The publication in the **Federal Register** of the notice implementing this survey is considered legal notice to covered U.S. business enterprises of their obligation to report. Therefore, a response is required from persons subject to the reporting requirements of the BE-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 BE-12(X) 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 Mini form is estimated to vary from 25 minutes to 3 hours per response, with an average of 50 minutes 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**

**A. Which form to file** – Please review the questions below to determine which form to file.

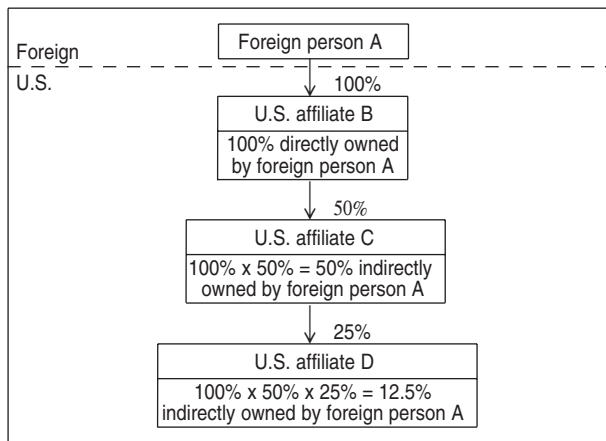
1. Were at least 10 percent of the voting rights in your business directly or indirectly owned by a foreign person or entity at the end of your fiscal year that ended in calendar year 2007?
  - Yes – Continue with question 2. **NOTE: Your business is hereinafter referred to as a "U.S. affiliate."**
  - No – File Form BE-12(X) by May 31, 2008.
2. Is this U.S. affiliate a bank, bank holding company, or financial holding company?
  - Yes – File Form BE-12 Bank by May 31, 2008.
  - No – Continue with question 3.
3. Were more than 50 percent of the voting rights in this U.S. affiliate owned by another U.S. affiliate before the end of this U.S. affiliate's fiscal year that ended in calendar year 2007?
  - Yes – Continue with question 4.
  - No – Skip to question 5.
4. Does exception e to the consolidation rules apply to you? (The consolidation rules are found in instruction III.13 on page 7.)
  - Yes – Continue with question 5.
  - 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 Form BE-12(X) 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.
5. 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 fiscal year that ended in calendar year 2007?
  - Yes – Continue with question 6.
  - No – File a Form BE-12 Mini by May 31, 2008.
6. 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 7.
  - No – File Form BE-12(SF) by May 31, 2008.

7. 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.

**B. Indirect ownership interest in a U.S. business enterprise** is the product of the direct ownership percentage of the foreign parent in the first U.S. business enterprise in the ownership chain multiplied by that first enterprise's direct ownership percentage in the second U.S. business enterprise multiplied by each succeeding direct ownership percentage of each other intervening U.S. business enterprise in the ownership chain between the foreign parent and the given U.S. business enterprise.

**Example:** In the diagram below, foreign person A owns 100% of the voting stock of U.S. affiliate B; U.S. affiliate B owns 50% of the voting stock of U.S. affiliate C; and U.S. affiliate C owns 25% of the voting stock of U.S. affiliate D. Therefore, U.S. affiliate B is 100% directly owned by foreign person A; U.S. affiliate C is 50% indirectly owned by foreign person A; and U.S. affiliate D is 12.5% indirectly owned by foreign person A.

Calculation of Foreign Ownership



- C. 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.** nontrusted or free account assets, and **2.** nonadmitted assets such as furniture and equipment, agents' debit balances, and all receivables deemed to be collectible.
- D. 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.

**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. If the aggregate of such holdings exceeds one or more of the exemption levels, then the holdings must be reported even if individually they would be exempt. In such a case, file a single Form BE-12 to report the aggregated holdings. If permission has been received in writing from BEA to file on an non-aggregated basis, the reports should be filed as a group and you should inform BEA that they are all for one owner.

**II. DEFINITIONS OF KEY TERMS**

- A. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- B. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- C. Person**, means any individual, branch, partnership, association, associated group, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the U.S. Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
- D. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- E. 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.
- F. 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.
- G. 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.

## II. DEFINITIONS OF KEY TERMS – Continued

- H. Branch** means the operation or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- I. 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.
- J. 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.
- K. 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.
- L. Ultimate beneficial owner (UBO)** is that person, proceeding up the ownership chain beginning with and including the foreign parent, that is not more than 50 percent owned or controlled by another person. (A person who creates a trust, proxy, power of attorney, arrangement, or device with the purpose or effect of divesting such owner of the ownership of an equity interest as part of a plan or scheme to avoid reporting information, is deemed to be the owner of the equity interest.) Note: Stockholders of a closely or privately held corporation are normally considered to be an associated group and may be a UBO.

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

**NOTE:** Instructions in section 10 are cross referenced by number to the items located on pages 2 to 5 of this form.

- 9. Number of employees at close of fiscal year that ended in calendar year 2007** – Employment is the number of full-time and part-time employees on the payroll at the end of FY 2007. EXCLUDE contract workers and other workers not carried on the payroll of the U.S. affiliate. A count taken during, rather than at the end of, FY 2007 may be used provided it is a reasonable estimate for the end of FY 2007 number. 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.

### 13. 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 1.D. on page 6 for details.

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

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

**Exceptions to consolidated reporting** – Note: If a U.S. affiliate is not consolidated into its U.S. parent's BE-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 unconsolidated U.S. affiliate **must** file its own Form BE-12(LF), BE-12(SF), BE-12 Mini, or BE-12 BANK.

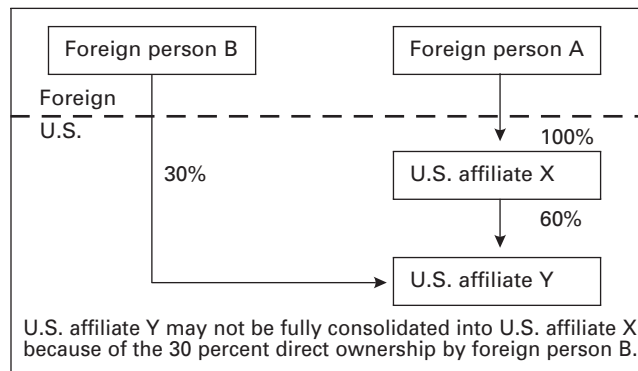
- DO NOT CONSOLIDATE FOREIGN SUBSIDIARIES, BRANCHES, OPERATIONS, OR INVESTMENTS NO MATTER WHAT THE PERCENTAGE OWNERSHIP.** Include foreign holdings owned 20 percent or more (including those that are majority-owned) using the equity method of accounting. DO NOT eliminate intercompany accounts (e.g., receivables or liabilities) for investments reported using the equity method.
- Do not consolidate banking activities.** If the nonbank U.S. affiliate reporting on Form BE-12 Mini 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 Mini. Banks are required to file a separate BE-12 BANK report.

Include on Form BE-12 Mini any banking operations owned 20 percent or more (including those that are majority-owned) using the equity method of accounting. 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.

- 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?"

- You must submit a request in writing EACH YEAR to BEA in order to receive permission to file separately for any U.S. affiliate that should otherwise be consolidated.** If you file deconsolidated reports, you must file the same types 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. In accordance with FAS 94, consolidation of majority-owned subsidiaries is required even if their operations are not homogeneous with those of the U.S. affiliate that owns them.
- 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 owning U.S. affiliate's BE-12 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.

- 14. 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.

#### Special Circumstances:

- 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.
- 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.

- 15. Reporting for a U.S. business that became a U.S. affiliate during its fiscal year that ended in calendar year 2007** –

- 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.
- 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.

#### 17a. Voting interest and Equity interest

- 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.
- 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.

### III. INSTRUCTIONS FOR SPECIFIC SECTIONS OF THE REPORT 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. Because foreign parent B owns all of the voting stock, foreign parent B has a 100 percent voting interest in U.S. affiliate A. However, because all 50 of the nonvoting preferred shares are owned by U.S. investors, foreign parent B has only a 50 percent interest in the owners' equity amount of U.S. affiliate A.

#### 16b. Determining place of residence and country of jurisdiction of individuals – An individual is considered a resident of, and subject to the jurisdiction of, the country in which he or she is physically located. The following guidelines apply to individuals who do not reside in their country of citizenship.

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

#### 28. Total employee compensation – Base compensation on payroll records. Employee compensation must cover compensation charged as an expense on the income statement, charged to inventories, or capitalized during the reporting period. Exclude employee compensation related to activities of a prior period, such as compensation capitalized or charged to inventories in prior periods. 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** – are employer expenditures for all employee benefit plans, including those required by government statute, those resulting from a collective-bargaining contract, or those that are voluntary. 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.

#### 33. Research and development expenditures – Report all research and development (R&D) performed BY the U.S. affiliate for its own account or for others, including the foreign parent and foreign affiliates of the foreign parents. Exclude the cost of all R&D funded by the U.S. affiliate but performed by others.

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

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

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

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

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

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

### IV. FILING THE BE-12

- A. Due date** – File a fully completed and certified Form BE-12 Mini no later than May 31, 2008. If the U.S. affiliate is exempt from filing Form BE-12 Mini, complete and file Form BE-12(X) 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 normally 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 ON OR **BEFORE** the due date of the report.

- D. Assistance** – For assistance, telephone (202) 606-5577, FAX (202) 606-5319, or send email 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 report or Form 10K when filing the BE-12 report. If you do not publish an annual stockholders' report or 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. If you are not filing electronically, this should be the copy with the address label on page 1, if such a labeled copy has been provided by BEA. (Make corrections to the address on the label, if necessary.) You should also retain a file copy of each report for three years to facilitate resolution of any questions that BEA may have concerning your report. (Both copies are protected by law; see the statement on Confidentiality in paragraph IV.H., below.)

- G. Where to send the report** – Send reports filed by mail through the U.S. Postal service to:

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

Direct reports filed by private delivery service to:

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

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