



**MANDATORY — CONFIDENTIAL**

**2007 BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT  
IN THE UNITED STATES  
(LONG 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

**OR**

**FAX REPORTS TO:** (202) 606-1905\*

*\*See the **NOTE** at the bottom of this page if you plan to fax your report to BEA.*

**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/fdi](http://www.bea.gov/fdi)

**Definitions of key terms** – See pages 28 and 29.

**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  
1004 0

State  
0998 0

ZIP Code  
1005 0

Foreign Postal Code  
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 0

Street or P.O. Box  
1301 0

City  
1302 0

State  
1304 0

ZIP Code  
1303 0

**IMPORTANT**

Please review the **Instructions** starting on page 27 before completing this form. **Insurance and real estate companies** see Special Instructions starting on page 32.

- **Who must file BE-12(LF)** – Form BE-12(LF) must be filed for a nonbank majority-owned U.S. affiliate with total assets, sales or gross operating revenues, or net income greater than \$175 million (positive or negative). For more information see instruction I.A.2 on page 28. If you do not meet these filing criteria, see instruction I.A.1 starting on page 27 to determine which form to file.
- **Accounting principles** – If feasible use U.S. Generally Accepted Accounting Principles to complete Form BE-12(LF) unless you are 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 on page 29.
- **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 27 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

**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 \_\_\_\_\_

TELEPHONE NUMBER 1001 1 Area code Number 2 Extension

0990 0 Print or type name 0991 0 Print or type title

FAX NUMBER 0999 1 Area code Number

0992 1 Telephone number 2 Extension 3 FAX number

**May FAX and/or email be used in correspondence between your enterprise and BEA**, including FAX'ed reports, and/or to discuss questions relating to this survey that may contain information about your company that you may consider confidential? **NOTE:** The Internet and telephone systems are not secure means of transmitting confidential information unless it is encrypted. If you choose to communicate with BEA via FAX or electronic mail, BEA cannot guarantee the security of the information during transmission, but will treat information we receive as confidential in accordance with Section 5(c) of the International Investment and Trade in Services Survey Act.

1027 Email: 1  Yes (If yes, please print your email address.) → Email address (Please print)  
2  No  
1028

1032 FAX: 1  Yes  
2  No

**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 29.

**IDENTIFICATION OF U.S. AFFILIATE**

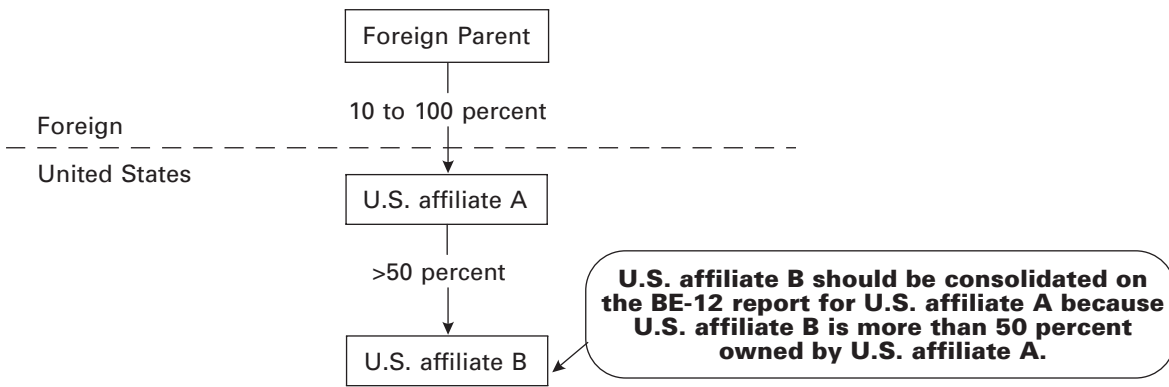
**1. What financial reporting standards will be used to complete this BE-12 report?** NOTE: Unless it is highly burdensome or not feasible, the BE-12 report should be completed using U.S. Generally Accepted Accounting Principles (U.S. GAAP).

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



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

<sup>1400</sup> <sup>1</sup>  **Yes** **If "Yes"** – Do not complete this report unless exception 2d described in the consolidation rules on page 29 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 BE-12 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 29.

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

Primary <sup>1006</sup> <sup>1</sup> <input style="width: 150px;" type="text" value="-"/>	Other <sup>2</sup> <input style="width: 150px;" type="text" value="-"/>
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**4. REPORTING PERIOD** – Reporting period instructions are found in instruction 4 starting on page 29. If there was a **change in fiscal year**, please review instruction 4.c. on pages 29 and 30.

	Month	Day	Year
<sup>1007</sup> <sup>1</sup>	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**.

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

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

<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 30. →

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

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

<sup>1011</sup> <sup>1</sup>  Incorporated in U.S.

Reporting rules for unincorporated affiliates are found in instruction 6 on page 30.

- <sup>1</sup>  **2** U.S. partnership — Reporting rules for partnerships are found in instruction 6b on page 30.
- <sup>1</sup>  **3** U.S. branch of a foreign person
- <sup>1</sup>  **4** Limited Liability Company (LLC) — Reporting rules for LLCs are found in instruction 6c on page 30.
- <sup>1</sup>  **5** Real property not in 1–4 above — Reporting rules for real estate are found in instruction V.C. starting on page 32.
- <sup>1</sup>  **6** Business enterprise incorporated abroad, but whose head office is located in the United States and whose business activity is conducted in, or from, the United States
- <sup>1</sup>  **7** Other — *Specify* ↘

**7. U.S. affiliates fully consolidated in this report —** The consolidation rules are found on page 29. 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 unconsolidated U.S. affiliate, enter "1" in the box below. If more than one U.S. affiliate is consolidated in this report, enter the number of U.S. affiliates consolidated. Hereinafter they are considered to be one U.S. affiliate. **Exclude from the consolidation all foreign business enterprises owned by this U.S. affiliate.** Foreign operations in which you own a majority interest are to be deconsolidated. Include unconsolidated businesses on an equity basis or, if less than 20 percent owned, in accordance with FAS 115 (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 23.**

**8. U.S. affiliates NOT fully consolidated — See instruction 8 on page 30.**

**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>

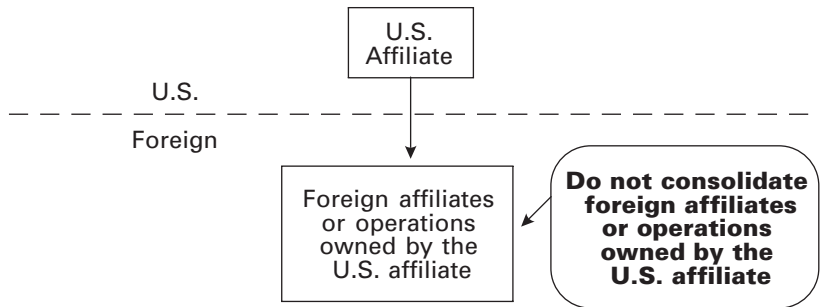
**Number — If number is not zero, complete the Supplement B on page 25.**

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 method of accounting, 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.

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

- <sup>1014</sup> <sup>1</sup>  **1** Yes
- <sup>1</sup>  **2** No

**If "Yes" — DO NOT consolidate foreign operations.** Foreign operations in which you own an interest of 20 percent or more, including those in which you own a majority interest, are to be deconsolidated and reported using the equity method of accounting. If your ownership interest is less than 20 percent, foreign operations are to be reported in accordance with FAS 115 (Accounting for Certain Investments in Debt and Equity Securities) or the cost method of accounting. Reporting rules for foreign operations are found in the instruction 2a on page 29.



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

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

- <sup>1015</sup> <sup>1</sup>  **1** Yes
- <sup>1</sup>  **2** No

**If "Yes" — File a Form BE-13 to reflect each acquisition if you have not done so already. Forms can be found at: [www.bea.gov/fdi](http://www.bea.gov/fdi)**

**11. Did this U.S. affiliate sell, transfer ownership of, or liquidate any of its U.S. subsidiaries, operating divisions, segments, etc., during its fiscal year that ended in calendar year 2007?**

- <sup>1016</sup> <sup>1</sup>  **1** Yes
- <sup>1</sup>  **2** No

**PLEASE CONTINUE ON PAGE 4.**

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

**IMPORTANT NOTE** – Complete columns 3 and 4 ONLY if the percentage of direct voting ownership given in columns 1 and 2 DOES NOT equal the equity interest. "Voting interest" and "equity interest" are defined in instructions 12–16 on pages 30 and 31.

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

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

**12. Ownership held directly by foreign parent(s) of this affiliate** — Give name of each foreign parent with direct ownership. If more than 4, continue on a separate sheet. See example 1 below for an illustration of ownership held directly by foreign parents.

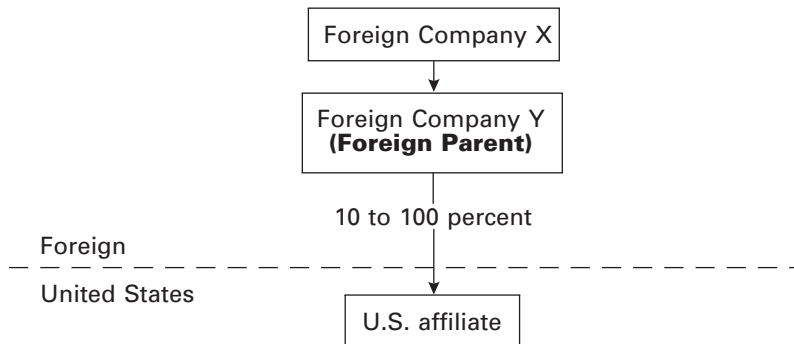
	REPORTING PERIOD			
	Voting interest		Equity interest	
	Close FY 2007 (1)	Close FY 2006 (2)	Close FY 2007 (3)	Close FY 2006 (4)
<b>a.</b>	1017			
<b>b.</b>	1018			
<b>c.</b>	1019			
<b>d.</b>	1020			
<b>13. Ownership held indirectly by foreign parent(s) of this U.S. affiliate through another U.S. affiliate</b> — The foreign parents of these other U.S. affiliates are indirect foreign parents of this U.S. affiliate. If you put an entry in column (1) or (2), please complete items 17–21 below. See example 2 below for an illustration of ownership held indirectly by foreign parents.	1060			
<b>14. Ownership held directly by all other U.S. persons or entities</b>	1061			
<b>15. Ownership held directly by all other foreign persons or entities</b>	1062			
<b>16. TOTAL of ownership interests — Sum of items 12 through 15</b>		100.0%	100.0%	100.0%

**NOTE** IF THERE IS AN ENTRY IN COLUMN (1) OR (2) OF ITEM 13 ABOVE, PLEASE COMPLETE ITEMS 17 THROUGH 20 BELOW.

	Give the name of each U.S. affiliate holding a direct ownership interest in this U.S. affiliate. If more than 4, continue on a separate sheet. See example 2 below for an illustration of a direct ownership interest held by a U.S. affiliate. (a)	Percent of direct voting interest in this U.S. affiliate held by the U.S. affiliate listed in column (a).		For the U.S. affiliate listed in column (a), give the name of the U.S. entity (U.S. affiliate) in its ownership chain that is directly owned by a foreign parent. If the U.S. affiliate listed in column (a) is directly owned by a foreign parent, also list that U.S. affiliate here. (b)	BEA USE ONLY (3)
		Close FY 2007 (1)	Close FY 2006 (2)		
<b>17.</b>	1063				3
<b>18.</b>	1064				3
<b>19.</b>	1065				3
<b>20.</b>	1066				3
<b>21. Sum of items 17 through 20.</b> The sum of these percentages must equal item 13 columns (1) and (2). →	1071			BEA USE ONLY →	3

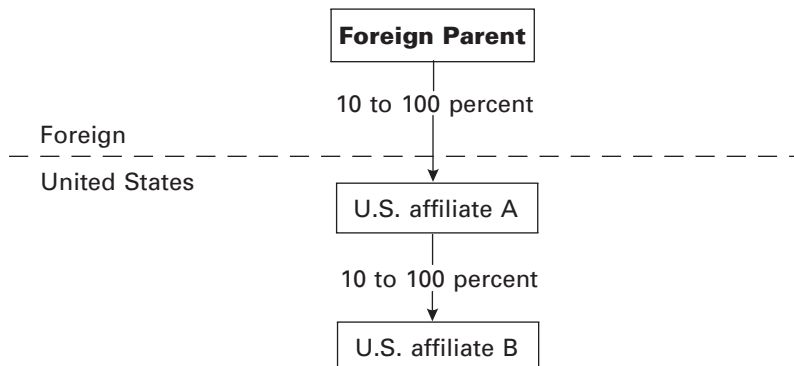
**EXAMPLES OF DIRECT AND INDIRECT FOREIGN OWNERSHIP**

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



Foreign Company Y is the foreign parent because it is the first owner located outside the U.S. in a chain of ownership that owns 10 percent or more of the U.S. affiliate.

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



U.S. affiliate B is indirectly owned by the foreign parent through U.S. affiliate A. U.S. affiliate A has a direct ownership interest in U.S. affiliate B.

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

BEA USE ONLY	1070	1	2	3	4	5
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**PART I – IDENTIFICATION OF U.S. AFFILIATE – Continued**

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

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

	Producer of goods (1)	Seller of goods the U.S. affiliate does not produce (2)	Producer or distributor of information (3)	Provider of services (4)	Real estate (5)	Other (6)
1072	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/> – Specify ↘

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

1163 0

**INDUSTRY CLASSIFICATION, TOTAL SALES, AND EMPLOYEES OF FULLY CONSOLIDATED U.S. AFFILIATE**

**Enter the 4-digit International Surveys Industry (ISI) code(s) and the sales and employment associated with each code in items 24 through 33 below.** If you use fewer than ten codes, you must account for total sales in items 24 through 32.

**Column (1) – ISI Code** – For a full explanation of each code, see the *Guide to Industry Classifications for International Surveys, 2007*. A copy of this guide can be found on our web site at: [www.bea.gov/naics2007](http://www.bea.gov/naics2007). 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 24–37 on page 31.

**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. Report such gains or losses on page 8, item 61.

**Derivative instruments** – EXCLUDE all gains and losses from derivative instruments. Report gains and losses from derivative instruments as certain realized and unrealized gains (losses) on page 8, item 61.

**Dividends, interest, and investment gains (losses)** – INCLUDE dividends and interest earned ONLY by finance and insurance companies and units. EXCLUDE dividends and interest earned by non-finance and non-insurance companies and units. Non-finance and non-insurance companies and units should report dividends and interest as other income (page 8, item 62). EXCLUDE all investment gains and losses. Report all investment gains and losses as certain realized and unrealized gains (losses) (page 8, item 61).

**Holding companies** (ISI code 5512) must show total income as reported in item 63 on page 8. **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.

**Column (3) – Number of employees** – INCLUDE all full-time and part-time employees on the payroll at the end of FY 2007, associated with each ISI code. For employees engaged in manufacturing activities, also see the instructions for column (4) of the state schedule located on page 16. EXCLUDE contract workers and other workers not carried on the payroll of this U.S. affiliate. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of the number on the payroll at the end of the fiscal year that ended in calendar year 2007. 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.

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

	ISI code (1)	Sales (2)				Number of employees engaged in activities encompassed in each industry code in column (1) (3)
		Bil.	Mil.	Thous.	Dols.	
<b>24.</b> Enter code with largest sales	1164	1	2			3
<b>25.</b> Enter code with 2nd largest sales	1165	1	2			3
<b>26.</b> Enter code with 3rd largest sales	1166	1	2			3
<b>27.</b> Enter code with 4th largest sales	1167	1	2			3
<b>28.</b> Enter code with 5th largest sales	1168	1	2			3
<b>29.</b> Enter code with 6th largest sales	1169	1	2			3
<b>30.</b> Enter code with 7th largest sales	1170	1	2			3
<b>31.</b> Enter code with 8th largest sales	1171	1	2			3
<b>32.</b> Enter code with 9th largest sales	1176	1	2			3
<b>33.</b> Enter code with 10th largest sales	1177	1	2			3
<b>34. Number of employees of administrative offices and other auxiliary units</b> – 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. <b>EXCLUDE employees located at a U.S. operating unit that provide administration and management or support services for only that one unit.</b> Instead, report such employees in column (3) of items 24 through 33 above on the lines in which column (1) shows the industry(ies) of the operating unit(s) where these employees are located.	1178					3
<b>35.</b> Sales and employees accounted for – <i>Sum of items 24 through 34</i>	1172		2			3
<b>36.</b> Sales and employees not accounted for above – <i>Item 33 must have an entry if amounts are entered on this line.</i>	1173		2			3
<b>37. TOTAL SALES OR GROSS OPERATING REVENUES (excluding sales taxes) AND EMPLOYEES</b> – <i>Sum of items 35 and 36, columns (2) and (3) (Total sales must equal item 59 and also item 76. Total employees must equal item 89 column (1) and also item 155 column (3). →</i>	1174	1	2			3
<b>38. Number of employees covered by collective bargaining agreements</b> – Of the total employees reported in item 37, column (3), what is the number covered by collective bargaining agreements. If none, enter zero. Employees covered by collective bargaining agreements are defined in instruction 38 on page 31.						1

1175

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

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

**CROSS-BORDER SERVICES TRANSACTIONS**

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

- 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.

1186 <sup>1</sup>  Yes <sup>2</sup>  No

**INSURANCE INDUSTRY ACTIVITIES**

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

**40a. Of the total sales and gross operating revenues reported on line 37, column 2, were any of the sales or revenues generated by insurance related activities?**

1180 <sup>1</sup>  Yes – Answer items 40b and 40c  
<sup>2</sup>  No – Skip to item 41a

**NOTE: Complete items 40b and 40c ONLY if item 40a is answered "Yes."**

**40b. Premiums earned** — Report premiums, gross of commissions, included in revenue during the reporting year. Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year. EXCLUDE all annuity premiums. Also EXCLUDE premiums and policy fees related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

	Amount (1)			
	Bil.	Mil.	Thous.	Dols.
1				
1181	\$			

**40c. Losses incurred** — Report losses incurred for the insurance products covered by question 40b. EXCLUDE loss adjustment expenses and losses that relate to annuities. Also EXCLUDE losses related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

For property and casualty insurance, calculate as net losses paid during the reporting year, minus net unpaid losses at the beginning of the year, plus net unpaid losses at the end of the year. In the calculation of net losses, INCLUDE losses on reinsurance assumed from other companies and EXCLUDE losses on reinsurance ceded to other companies. Unpaid losses include both case reserves and losses incurred but not reported.

For life insurance, losses reflect policy claims on reinsurance assumed or on primary insurance sold, minus losses recovered from reinsurance ceded, adjusted for changes in claims due, unpaid, and in course of settlement.

1				
1182	\$			

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

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

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

**41a. Of the total sales and gross operating revenues reported on line 37, column 2, were any of the sales or revenues generated by wholesale or retail trade activities?**

1183 <sup>1</sup>  Yes – Answer items 41b and 41c  
<sup>2</sup>  No – Skip to item 42

**NOTE: Complete items 41b and 41c ONLY if item 41a is answered "Yes."**

**41b. Enter the cost of goods purchased for resale without further processing during the fiscal year that ended in calendar year 2007** →

	Amount (1)			
	Bil.	Mil.	Thous.	Dols.
1				
1184	\$			

**41c. Enter the closing balances at the end of fiscal years 2007 and 2006 of the inventory of goods purchased for resale without further processing.**

	BALANCES							
	CLOSE FY 2007 (1)				Close FY 2006 (Unrestated) (2)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
1					2			
1185	\$				\$			

**BEA USE ONLY**

	1	2	3	4	5
1200					
1201					
1202					
1203					



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

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

Section B — INCOME STATEMENT Insurance companies see page 32, V.A. for special instructions.	Amount (1)			
	Bil.	Mil.	Thous.	Dols.
<ul style="list-style-type: none"> <li>INCOME</li> </ul>				
<b>59. Total sales or gross operating revenues, excluding sales taxes</b> — Item 59 must equal item 37, column 2 and also item 76. <span style="float: right;">2149</span>	1			\$
<b>60. Income from equity investments in unconsolidated U.S. affiliates and all foreign entities</b> — Report equity in earnings during the reporting period for all U.S. and foreign investments included on the equity basis in item 46. For investments owned less than 20 percent and not subject to FAS 115, report dividends received. <span style="float: right;">2150</span>	1			
<b>61. Certain realized and unrealized gains (losses)</b> — <b>Note:</b> 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. <b>Report at gross amount before</b> income tax effect. Include tax effect in item 65 below. Report gains (losses) resulting from: <ul style="list-style-type: none"> <li>a. Extraordinary, unusual, or infrequently occurring items that are material. INCLUDE losses from accidental damage or disasters, after estimated insurance reimbursement. INCLUDE other material items, including writeups, writedowns, and writeoffs of tangible and intangible assets; gains (losses) from the sale or other dispositions of capital assets; and gains (losses) from the sale or other dispositions of financial assets, including securities. EXCLUDE legal judgments. Report legal judgments against the U.S. affiliate in item 64. Report legal settlements in favor of the U.S. affiliate in item 62;</li> <li>b. Restructuring. INCLUDE restructuring costs that reflect write downs or writeoffs of assets or liabilities. EXCLUDE actual payments, or charges to establish reserves for future actual payments, such as for severance pay, and fees to accountants, lawyers, consultants, or other contractors. Report them in item 64;</li> <li>c. Sales 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. EXCLUDE gains or losses from the sale of inventory assets in the ordinary course of trade or business. Real estate companies, see special instructions IV.61.(2) on page 31;</li> <li>d. Sales or other disposition of financial assets, including investment securities; FAS 115 holding gains (losses) on securities classified as trading securities; FAS 115 impairment losses; and gains and losses derived from derivative instruments. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies, see special instructions IV.61.(1) on page 31;</li> <li>e. Goodwill impairment as defined by FAS 142 (Goodwill and Other Intangible Assets);</li> <li>f. 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 24 through 37;</li> <li>g. Remeasurement of the U.S. affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period;</li> <li>h. The cumulative effect of a change in accounting principle; and</li> <li>i. Change in accounting estimate of provision for expected stock option forfeitures under the inception method as defined by FAS 123(R) (Share-Based Payments).</li> </ul> <span style="float: right;">2151</span>	1			\$
<b>62. Other income</b> — Legal settlements in favor of the U.S. affiliate, nonoperating, and other income not included above. — <i>Specify major items</i> ↘ <span style="float: right;">2152</span>	1			\$
<b>63. TOTAL INCOME</b> — <i>Sum of items 59 through 62</i> —————→ <span style="float: right;">2153</span>	1			\$
<ul style="list-style-type: none"> <li>COSTS AND EXPENSES</li> </ul>				
<b>64. Cost of goods sold or services rendered, and selling, general, and administrative expenses</b> — Operating expenses that relate to sales or gross operating revenues, item 59, and selling, general, and administrative expenses. INCLUDE production royalty payments to governments, their subdivisions and agencies, and to other persons. INCLUDE legal judgments against the U.S. affiliate. INCLUDE depletion charges representing the amortization of the actual cost of capital assets, but EXCLUDE all other depletion charges. EXCLUDE goodwill impairment as defined by FAS 142 (Goodwill and Other Intangible Assets). Report such impairment losses in item 61 above. For guidance on restructuring costs, see item 61b above. <span style="float: right;">2154</span>	1			\$
<b>65. Income taxes</b> — Provision for U.S. Federal, State, and local incomes taxes. INCLUDE the income tax effect of certain realized and unrealized gains (losses) reported in item 61. EXCLUDE production royalty payments. <span style="float: right;">2156</span>	1			
<b>66. Other costs and expenses not included above, including minority interest in profits and losses that arise out of consolidation.</b> — <i>Specify major items</i> ↘ <span style="float: right;">2157</span>	1			
<b>67. TOTAL COSTS AND EXPENSES</b> — <i>Sum of items 64 through 66</i> —————→ <span style="float: right;">2158</span>	1			\$
<ul style="list-style-type: none"> <li>NET INCOME</li> </ul>				
<b>68. Net income (loss) after provision for U.S. Federal, State, and local income taxes</b> — <i>Item 63 minus item 67</i> <span style="float: right;">2159</span>	1			\$
<b>Section C — CHANGE IN RETAINED EARNINGS (DEFICIT)</b> — If retained earnings (deficit) is not shown as a separate account, show change in total owners' equity. <b>69. Balance, close FY ended in 2006 before restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles, if any</b> — Enter amount from item 54, column (2); if retained earnings (deficit) is not shown as a separate account, enter amount from item 58, column (2). <span style="float: right;">2211</span>	1			\$
<b>70. Increase (decrease) due to restatement of FY 2006 closing balance.</b> — <i>Specify reason(s) for change</i> ↘ <span style="float: right;">2212</span>	1			
<b>71. FY 2006 closing balance as restated</b> — <i>Item 69 plus item 70.</i> <span style="float: right;">2213</span>	1			\$
<b>72. Net income (loss)</b> — <i>Enter amount from item 68.</i> <span style="float: right;">2214</span>	1			
<b>73. Dividends or earnings distributed</b> — Incorporated affiliate, enter amount of dividends declared, inclusive of withholding taxes, out of current- or prior-period income, on common and preferred stock, <b>excluding stock dividends</b> . Unincorporated affiliate, enter amount of current- or prior-period net income distributed to owners. <span style="float: right;">2215</span>	1			
<b>74. Other increases (decrease) in retained earnings (deficit), including stock or liquidating dividends, or in total owners' equity if retained earnings (deficit) are not shown as a separate account, including capital contributions (return of capital).</b> — <i>Specify</i> ↘ <span style="float: right;">2217</span>	1			
<b>75. FY 2007 closing balance</b> — <i>Sum of items 71, 72, and 74 minus item 73; also must equal item 54 column (1) if retained earnings (deficit) is shown as a separate account, or item 58, column (1) if retained earnings (deficit) is NOT shown as a separate account.</i> <span style="float: right;">2218</span>	1			\$



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

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

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

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

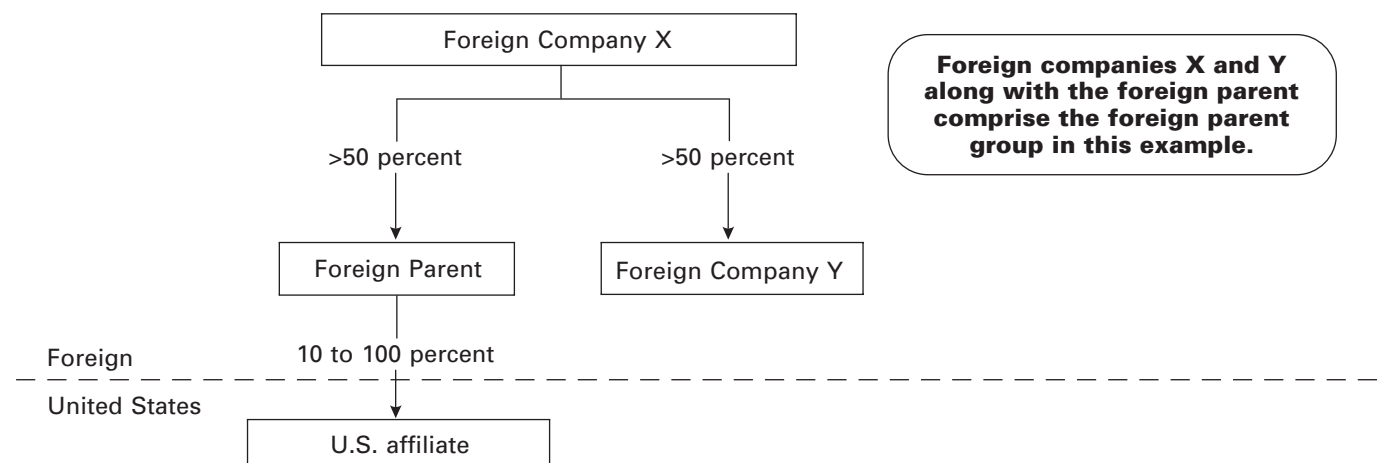
**NOTE — BEFORE COMPLETING THIS SECTION, PLEASE SEE THE INSTRUCTIONS FOR ITEMS 76 THROUGH 83 ON PAGE 31.** Insurance companies also see page 32, V.A. for special instructions.

**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.

**76. TOTAL SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES —**  
*Equals item 59, and also sum of items 77 through 79* →

		Amount (1)			
		Bil.	Mil.	Thous.	Dols.
	2243	\$			
<b>77. Sales of Goods</b>	2244	\$			
<b>78. Investment income included in gross operating revenues (e.g., dividends and interest generated by finance and insurance subsidiaries or units)</b>	2245	\$			
<b>79. Sales of Services, Total — Sum of items 80 through 83</b> →	2246	\$			
<b>80. To U.S. persons or entities</b>	2247				
<b>81. To foreign parent group.</b> See the example at the bottom of this page for an illustration of foreign parent group.	2248				
<b>82. To foreign affiliates owned by this U.S. affiliate.</b> See item 9 on page 3 for a diagram that illustrates foreign affiliates owned by this U.S. affiliate.	2249				
<b>83. To other foreign persons</b>	2250				

**EXAMPLE OF FOREIGN PARENT GROUP**



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

**DEFINITIONS OF KEY TERMS**

**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.

The term "**person**" in the above paragraph is used in the broad legal sense and includes companies. See instruction II.C. on page 28 for the complete definition of "person."

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

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

<b>Section E – EMPLOYEE COMPENSATION</b>	Amount for all employees (1)			
	Bil.	Mil.	Thous.	Dols.
<b>EMPLOYEE COMPENSATION</b> — Base compensation on payroll records. Employee compensation must cover compensation charged as an expense on the income statement, charged to inventories, or capitalized during the reporting period. EXCLUDE compensation related to activities of a prior period, such as compensation capitalized or charged to inventories in prior periods. See instructions 84–86 on page 31 for more detailed definitions of wages and salaries and employee benefit plans.				
<b>84. Wages and salaries</b> — Employees' gross earnings (before payroll deductions), and all direct and in-kind payments by the employer to employees.	2251	\$		
<b>85. Employee benefit plans</b> — Employer expenditures for all employee benefit plans, including those required by government statute, such as employer's Social Security taxes, those resulting from collective bargaining contracts, and those that are voluntary.	2252			
<b>86. TOTAL EMPLOYEE COMPENSATION</b> — <i>Sum of items 84 and 85</i> →	2253	\$		

<b>Section F – EMPLOYEES AND EMPLOYEE COMPENSATION BY STANDARD OCCUPATION CLASSIFICATION (SOC) GROUPS</b>		Number of employees at close of FY 2007 (1)		Employee compensation for FY 2007 (2)			
		Number		Bil.	Mil.	Thous.	Dols.
<b>Please report employees and employee compensation by SOC.</b> See instructions 87–89 on page 32 for a list of the major SOC groups.							
<b>Column (1) – Number of employees at close of FY 2007</b> – MUST equal the number reported on page 5, item 37, column (3).							
<b>Column (2) – Employee compensation for FY 2007</b> – MUST equal the amount reported in item 86 above.							
<b>87. Managerial, professional, and technical employees (SOC 11–29)</b>	2260	1	2	\$			
<b>88. All other employees (SOC 31–55)</b>	2261	1	2				
<b>89. TOTAL NUMBER OF EMPLOYEES AND EMPLOYEE COMPENSATION</b> — Column (1) must equal item 37 column (3) and also item 155 column (3). Column (2) must equal item 86.	2262	1	2				

<b>Section G – COMPOSITION OF LIABILITIES AND RECEIVABLES OF U.S. AFFILIATE</b>	Total Equals sum of columns (2)–(5)				With foreign parent group (FPG) (See example at the bottom of page 9 for illustration of FPG)				With foreign affiliates owned by this U.S. affiliate (See page 3 item 9 for diagram illustrating foreign affiliates owned by this U.S. affiliate)				With other foreign persons or entities				With U.S. persons or entities			
	(1)				(2)				(3)				(4)				(5)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>CLOSE FY 2007</b>																				
<b>90. Current liabilities and long-term debt</b> – Column (1) must equal item 50, column (1).		2254	1			2				3				4				5		
<b>91. Current and non-current receivables</b> — Column (1) must equal item 43a, column (1), and that part of item 48, column (1), that is noncurrent receivables.  <b>NOTE</b> — Include certificates of deposit and other deposits held by the foreign parent group(s) that would otherwise be included in cash, item 42. (See Note in item 42.)		2256	1			2				3				4				5		

<b>Section H – LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT</b>		All acres of U.S. land owned at close of FY 2007. Exclude acres of mineral rights if you do not own the land. (To nearest whole acre)		Gross book value of all land and other property, plant, and equipment at historical cost (Include gross book value of mineral rights)			
		Number		Bil.	Mil.	Thous.	Dols.
Land and other property, plant, and equipment includes all land and other property, plant, and equipment carried anywhere on the U.S. affiliate's balance sheet, whether or not with the intent of holding and actively using the asset in the operating activity of the business. <b>Land</b> refers to any part of the earth's surface. Include land being leased from others under capital leases. <b>Other property, plant, and equipment includes:</b> Timber, mineral and like rights owned; all structures, machinery, equipment, special tools, and other depreciable property; construction in progress; capitalized tangible and intangible exploration and development costs, and the capitalized value of timber, mineral, and like rights leased by the affiliate from others under capital leases. On the balance sheet these items may be carried in other current assets (item 45), in property, plant, and equipment (item 47), or in other noncurrent assets (item 48).  Exclude items that the affiliate has sold on a capital lease basis.							
<b>92. TOTAL LAND AND OTHER PROPERTY, PLANT, AND EQUIPMENT AT CLOSE OF FY 2007</b> — <i>Column (2) must equal item 104 and item 155 column (5)</i>	2354	1	2	\$			
<b>93. Gross book value of land owned</b> — The portion of item 92, column (2), that is the gross book value of land owned. Include undeveloped and agricultural land, and also the value of land you own that is located under developed properties such as office buildings, apartment buildings, retail buildings, etc. If your accounting and reporting systems do not separately account for land and building components when buildings sit upon land that you own, provide your best estimate of the gross book value of the land owned.		2356	1	\$			
<b>BEA USE ONLY</b>		2357	1				

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

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

**SCHEDULE OF CHANGE FROM FY 2006 CLOSING BALANCES TO FY 2007 CLOSING BALANCES**

• BALANCES AT CLOSE FY 2006, BEFORE RESTATEMENT DUE TO A CHANGE IN THE ENTITY

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

**94. Net book value of all land and other property, plant, and equipment, wherever carried on the balance sheet** 2386 \$

• CHANGES DURING FY 2007

**95. Give amount by which the net book value in item 94 would be restated due to a change in entity (i.e., due to the acquisition of or merger with another company, or the divestiture of a subsidiary, etc.), if the answer to item 5, 10, or 11 was "Yes," or due to a change in accounting methods or principles.** If a decrease, put amount in parentheses. Report in item 61 any gains (losses) resulting from the sale or disposition of U.S. affiliates. 2387 1

**Expenditures** – Expenditures cover all purchases by, or transfers to, the U.S. affiliate of land and other property, plant, and equipment. **Exclude** all changes in land and other property, plant, and equipment caused by a change in the entity (i.e., due to the acquisition of or merger with another company, etc.) or by a change in accounting methods or principles during your 2007 fiscal year; include such changes in item 95 above.

**Expenditures by the U.S. affiliate for, or transfers into the U.S. affiliate of,**

**96. Land** – Report expenditures for land except land held for resale. Report land held for resale in item 101. 2388 1

**97. Mineral rights, including timber** – Report capitalized expenditures to acquire mineral and timber rights. Exclude capitalized expenditures for the exploration and development of natural resources. Include those in item 98. 2389 1

**98. Property, plant, and equipment other than land and mineral rights** (Exclude changes due to mergers and acquisitions. Report them in item 95.) 2390 1

**99. Depreciation expense for FY 2007** 2392 1

**100. Depletion expense for FY 2007** 2393 1

**101. Net book value of sales, retirements, impairments, or transfers out of assets defined for inclusion in this section, and other decreases (increases)** — INCLUDE expenditures for land held for resale. EXCLUDE amounts relating to the divestiture of U.S. affiliates. Report such amounts in item 95. Report any gains (losses) resulting from asset impairments and the sale or disposition of property, plant, and equipment in item 61. — *Specify major items* ↘ 2394 1

• BALANCES AT CLOSE FY 2007

**102. Net book value** — *Sum of items 94 through 98, minus sum of items 99 through 101.* 2395 1

**103. Accumulated depreciation and depletion.** 2396 1

**104. Gross book value of all land and other property, plant, and equipment, wherever carried on the balance sheet** — *Sum of items 102 and 103; must also equal item 92 column (2) and item 155, column (5).* 2397 \$

• ADDENDUM

**105. Expensed petroleum and mining exploration and development expenditures** — Include expensed expenditures to acquire or **lease** mineral rights. Exclude expenditures that are capitalized and expenditures made in prior years that are reclassified in the current year; such expenditures are considered to be expenditures only in the year when initially expended. 2398 \$

**Section I – INTEREST AND TAXES**

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

**106. Interest income from all sources (including foreign parents and affiliates), after deduction of taxes withheld at the source.** Do not net against interest expense (item 107). 2400 \$

**107. Interest expense plus interest capitalized, paid or due to all payees (including to foreign parents and affiliates), before deduction of U.S. tax withheld by the affiliate.** Do not net against interest income (item 106). 2401 \$

**108. Other taxes and non-tax payments (EXCLUDING income and payroll taxes)** — Amount paid or accrued for the year, net of refunds or credits, to U.S. Federal, State, and local governments, their subdivisions and agencies for —

- Sales, consumption, and excise taxes **collected by you on goods and services you sold**
- Premium taxes paid by insurance companies
- Property and other taxes on the value of assets and capital
- Any remaining taxes (other than income and payroll taxes)
- Non-tax liabilities (other than for purchases of goods and services) such as —
  - Import and export duties
  - Production royalties for natural resources
  - License fees, fines, penalties, and similar items

**NOTE:** The amount reported in this item SHOULD NOT EQUAL the amount reported in item 65.

2402 \$

2404 1 2 3 4 5

**BEA USE ONLY**

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

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

**Section J – TECHNOLOGY**

**Research and development (R&D) expenditures** – Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, overhead — whether or not allocated to others — and all other indirect costs. See instructions 109–116 on page 32 for more details of what to include.

**NOTE** — Items 109 through 114 pertain to R&D performed by the U.S. affiliate, including R&D performed by the U.S. affiliate for others under contract. This is the basis on which National Science Foundation surveys request information on R&D. The FAS 2 (Accounting for Research and Development Costs) measure of R&D (i.e., R&D from which the firm **benefits**) is the sum of items 110 and 115.

**109. R&D performed BY the U.S. affiliate, total** — Sum of items 110 through 114. EXCLUDE the cost of R&D funded by the U.S. affiliate but performed by others. Report such R&D costs in item 115 below.

**110. For own account**

**111. For Federal Government** (i.e., federally financed R&D)

**112. For foreign parent group.** See the example at the bottom of page 9 for an illustration of foreign parent group.

**113. For foreign affiliates owned by this U.S. affiliate.** See item 9 on page 3 for a diagram that illustrates foreign affiliates owned by this U.S. affiliate.

**114. For others under contract**

**115. R&D performed FOR U.S. affiliate by others on a contractual basis**

**116. Research and development employees** — Report the number of employees engaged in R&D in the United States (including the District of Columbia, Puerto Rico, and all territories and possessions of the United States) during the fiscal year that ended in calendar year 2007.

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

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

1			
2403	\$		

1			
2405			

1			
2406			

1			
2411			

1			
2412			

1			
2407			

1			
2408			

Number (1)			
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1			
2409			

**BEA USE ONLY**

1			
2410			

**Section K – EXPORTS AND IMPORTS OF GOODS BY U.S. AFFILIATE ON A SHIPPED BASIS**

**"U.S. trade in goods" is the physical movement of goods between the customs area of the United States and the customs area of a foreign country.** 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.

**BASIS FOR REPORTING U.S. TRADE IN GOODS DATA: "Shipped" versus "Charged"**

**Report U.S. trade in goods data on this BE-12 report using the "shipped" basis.** The shipped basis looks at the physical movement of goods. Data reported on the "shipped" basis for exports are based on (i) when, (ii) to whom, and (iii) to where the goods were shipped. Data reported on the "shipped" basis for imports are based on (i) when, (ii) from whom, and (iii) from where the goods were shipped. The "shipped" basis is the same basis on which official U.S. trade statistics are kept and to which the trade data reported on the BE-12 will be compared.

**DO NOT REPORT the U.S. trade in goods data using the "charged" basis.** U.S. affiliates normally keep their accounting records on a "charged basis." Data reported on the "charged" basis are based on (i) when, (ii) to or from whom, and (iii) to or from where goods are charged for accounting and bookkeeping purposes. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. However, if there is a material difference, the "shipped" basis must be used or adjustments must be made to the "charged" basis data to approximate a "shipped" basis. To adjust "charged" basis data to a "shipped" basis it may be necessary to look at export and import declarations filed with U.S. customs or shipping and receiving documents to determine the physical movement of goods.

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

**117. For this U.S. affiliate is there a material difference between the "shipped" and "charged" basis?** See the discussion above for information on the "shipped" versus the "charged" basis.

2500 <sup>1</sup>  Yes    <sup>2</sup>  No

**118. On what basis will the trade data in this section be prepared?** NOTE: The trade data should be reported using the "shipped" basis.

2501 <sup>1</sup>  "Shipped" basis.

<sup>2</sup>  "Charged" basis without adjustments because there is no material difference between the "charged" and the "shipped" basis.

<sup>3</sup>  "Charged" basis with adjustments to correct for material differences between the "charged" and the "shipped" basis.

<sup>4</sup>  Other — Specify



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

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

**Section K — EXPORTS AND IMPORTS OF GOODS BY U.S. AFFILIATE ON A SHIPPED BASIS — Continued**

**Report the value of goods exported and imported by the U.S. affiliate during the fiscal year that ended in calendar year 2007. EXCLUDE services. Software publishers see the instructions below under packaged general use computer software.**

**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.

**In-transit goods** — EXCLUDE the value of in-transit goods. In-transit goods are goods that are not processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter those countries only because those countries are along the shipping lines between the exporting and importing countries. In-transit goods are goods that are en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

**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.

**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.

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

**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.

**Packaged general use computer software** — INCLUDE exports and imports of packaged general use computer software. Value such exports and imports at the full transaction value, i.e., including both the value of the media on which the software is recorded and the value of the information contained on the media. EXCLUDE receipts or payments for customized software designed to meet the needs of a specific user. This type of software is considered a service and should **not** be reported as trade in goods. EXCLUDE receipts and payments for software that is transmitted electronically rather than physically shipped. Also EXCLUDE negotiated licensing fees for software to use on networks.

**Column (1) — Valuation of exports and imports** — Value U.S. goods exports and imports f.a.s. (free alongside ship) at the port-of-exportation. INCLUDE all costs incurred up to the point of loading the goods aboard the export carrier at the U.S. or foreign port of exportation, including the selling price at the interior point of shipment (or cost if not sold), packaging cost, and inland freight and insurance. EXCLUDE 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.

**Columns (2), (3), and (4) — By (or to) whom the goods were shipped** — Shipment by, or to, an entity refers to the physical movement of merchandise to or from the U.S. customs area by, or to, that entity regardless of by, or to, whom the goods were charged or consigned. For example, if the U.S. affiliate charges goods to a foreign parent but ships the goods to an unaffiliated foreign person, record the goods as U.S. goods exports by the U.S. affiliate to the unaffiliated foreign person (column (4) below).

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

	TOTAL				Shipped to (by) foreign parent group(s). (See example at the bottom of page 9 for illustration of foreign parent group.)				Shipped to (by) foreign affiliates owned by this U.S. affiliate. (See item 9 on page 3 for an illustration of foreign affiliates owned by this U.S. affiliate)				Shipped to (by) all other foreign persons			
	(1)		(2)		(3)		(4)		(4)		(4)		(4)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>119. Exports of U.S. affiliate to foreign persons</b> — Shipped by U.S. affiliate to foreign persons (valued f.a.s. U.S. port). 2502	1				2				3				4			
	\$			\$				\$				\$				
<b>120. Imports of U.S. affiliate from foreign persons</b> — Sum of items 121 through 124. Shipped to U.S. affiliate by foreign persons (valued f.a.s. foreign port). 2515	1				2				3				4			
	\$			\$				\$				\$				
<b>IMPORTS BY INTENDED USE:</b>	1				2				3				4			
<b>121. Capital equipment and other goods charged by U.S. affiliate to its fixed asset accounts.</b> 2529	1				2				3				4			
	\$			\$				\$				\$				
<b>122. Goods intended for further processing, assembly, or manufacture by this affiliate before resale to others.</b> 2530	1				2				3				4			
	\$			\$				\$				\$				
<b>123. Goods for resale without further processing, assembly, or manufacture by this affiliate.</b> 2528	1				2				3				4			
	\$			\$				\$				\$				
<b>124. Other</b> — Specify major items 2531	1				2				3				4			
	\$			\$				\$				\$				

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

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

**EXPORTS OF GOODS BY U.S. AFFILIATE TO FOREIGN PERSONS BY COUNTRY OF ULTIMATE DESTINATION**

**Report exports of goods by the U.S. affiliate to each country of ultimate destination.** The country of ultimate destination is the country where the goods are to be consumed, further processed, or manufactured, **as known to the shipper at the time of exportation.** If the shipper does not know the country of ultimate destination, credit the shipment to the last country to which the shipper knows that the goods will be shipped in the same form as exported.

125. <b>TOTAL</b> for each column on page 14 must equal sum of items 126 through 154. Also must equal amounts reported on page 13 item 119.	BEA USE ONLY (1)	EXPORTS — Shipped by U.S. affiliate to foreign persons (valued f.a.s. U.S. port)															
		<b>TOTAL</b> <i>Equals item 119, column (1).</i> (2)				Shipped to foreign parent group(s). <i>Equals item 119, column (2).</i> (3)				Shipped to foreign affiliates owned by this U.S. affiliate. <i>Equals item 119, column (3).</i> (4)				Shipped to all other foreign persons. <i>Equals item 119, column (4).</i> (5)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>A</b> 2600		2				3				4				5			
		\$				\$				\$				\$			
<b>TO COUNTRY OF ULTIMATE DESTINATION</b> — Enter amounts for all individual countries to which exports to each were \$500,000.00 or more.																	
126. <b>Australia</b> 2601	<b>601</b>																
127. <b>Belgium</b> 2602	<b>302</b>																
128. <b>Brazil</b> 2603	<b>202</b>																
129. <b>Canada</b> 2604	<b>100</b>																
130. <b>China</b> 2605	<b>650</b>																
131. <b>France</b> 2606	<b>307</b>																
132. <b>Germany</b> 2607	<b>308</b>																
133. <b>Hong Kong</b> 2608	<b>611</b>																
134. <b>India</b> 2609	<b>612</b>																
135. <b>Indonesia</b> 2610	<b>613</b>																
136. <b>Italy</b> 2611	<b>314</b>																
137. <b>Japan</b> 2612	<b>614</b>																
138. <b>Korea, Republic of</b> 2613	<b>626</b>																
139. <b>Malaysia</b> 2614	<b>617</b>																
140. <b>Mexico</b> 2615	<b>213</b>																
141. <b>Netherlands</b> 2616	<b>319</b>																
142. <b>Singapore</b> 2617	<b>625</b>																
143. <b>Sweden</b> 2618	<b>324</b>																
144. <b>Switzerland</b> 2619	<b>325</b>																
145. <b>Taiwan</b> 2620	<b>628</b>																
146. <b>Thailand</b> 2621	<b>629</b>																
147. <b>United Kingdom</b> 2622	<b>327</b>																
<b>Other individual countries to which exports to each were \$500,000.00 or more</b> — Specify (Use supplemental sheets if necessary, to account for all such countries.) ↗																	
148. 2623																	
149. 2624																	
150. 2625																	
151. 2626																	
152. 2627																	
153. 2628																	
154. <b>Exports to all other countries not listed or written-in above for which exports to each were LESS than \$500,000.00.</b> 2698	<b>709</b>	\$				\$				\$				\$			

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

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

**IMPORTS OF GOODS BY U.S. AFFILIATE FROM FOREIGN PERSONS BY COUNTRY OF ORIGIN**

**Report imports of goods by the U.S. affiliate from each country of origin.** The country of origin is the country where the goods were grown, mined, or manufactured. If the country cannot be determined, credit the transactions to the country from which the goods were shipped.

125. <b>TOTAL</b> for each column on page 15 must equal sum of items 126 through 154. Also must equal amounts reported on page 13 item 120.  <b>B</b> 2600	BEA USE ONLY  (6)	IMPORTS — Shipped to U.S. affiliate by foreign persons (valued f.a.s. foreign port)															
		<b>TOTAL</b> <i>Equals item 120, column (1).</i> (7)				Shipped by foreign parent group(s). <i>Equals item 120 column (2).</i> (8)				Shipped by foreign affiliates owned by this U.S. affiliate. <i>Equals item 120 column (3).</i> (9)				Shipped by all other foreign persons. <i>Equals item 120, column (4).</i> (10)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
	6	7			8				9				10				
		\$			\$				\$				\$				
<b>FROM COUNTRY OF ORIGIN —</b> <i>Enter amounts for all individual countries from which imports were \$500,000.00 or more.</i>	6	7			8				9				10				
126. <b>Australia</b> 2601	6	7			8				9				10				
127. <b>Belgium</b> 2602	6	7			8				9				10				
128. <b>Brazil</b> 2603	6	7			8				9				10				
129. <b>Canada</b> 2604	6	7			8				9				10				
130. <b>China</b> 2605	6	7			8				9				10				
131. <b>France</b> 2606	6	7			8				9				10				
132. <b>Germany</b> 2607	6	7			8				9				10				
133. <b>Hong Kong</b> 2608	6	7			8				9				10				
134. <b>India</b> 2609	6	7			8				9				10				
135. <b>Indonesia</b> 2610	6	7			8				9				10				
136. <b>Italy</b> 2611	6	7			8				9				10				
137. <b>Japan</b> 2612	6	7			8				9				10				
138. <b>Korea, Republic of</b> 2613	6	7			8				9				10				
139. <b>Malaysia</b> 2614	6	7			8				9				10				
140. <b>Mexico</b> 2615	6	7			8				9				10				
141. <b>Netherlands</b> 2616	6	7			8				9				10				
142. <b>Singapore</b> 2617	6	7			8				9				10				
143. <b>Sweden</b> 2618	6	7			8				9				10				
144. <b>Switzerland</b> 2619	6	7			8				9				10				
145. <b>Taiwan</b> 2620	6	7			8				9				10				
146. <b>Thailand</b> 2621	6	7			8				9				10				
147. <b>United Kingdom</b> 2622	6	7			8				9				10				
<b>Other individual countries for which imports from each were \$500,000.00 or more — Specify (Use supplemental sheets if necessary, to account for all such countries.)</b> ↘	6	7			8				9				10				
148. 2623	6	7			8				9				10				
149. 2624	6	7			8				9				10				
150. 2625	6	7			8				9				10				
151. 2626	6	7			8				9				10				
152. 2627	6	7			8				9				10				
153. 2628	6	7			8				9				10				
154. <b>Imports from all other countries not listed or written-in above for which imports from each were LESS than \$500,000.00.</b> 2698	6	7			8				9				10				
		\$			\$				\$				\$				

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

## INSTRUCTIONS FOR PAGE 17

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

**Column (3)** — The total number of employees reported in item 155 column (3) MUST equal the total number of employees reported on page 5 item 37 column (3) and page 10 item 89 column (1).

**Column (4)** — INCLUDE all employees on the payrolls of operating manufacturing plants in the state. INCLUDE administrative office and other auxiliary employees located at an operating plant and who serve only that plant but EXCLUDE administrative office and other auxiliary employees who serve more than one plant.

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

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

## Instructions for items 209, 211, and 212:

**209. U.S. offshore oil and gas sites** – Use this line to report offshore oil and gas sites located within U.S. claimed territorial waters but NOT located within the territorial waters of a specific state. Offshore oil and gas sites located within the territorial waters of a specific state should be reported in that state along with all related property, plant, equipment, and employees. For offshore oil and gas sites located outside U.S. claimed territorial waters, see item 211e below.

**211. Foreign** — Except as noted below, do not include employees, land, and other property, plant, and equipment, located outside of the United States in item 211 or elsewhere on the Schedule of Employment and Property, Plant, and Equipment, By Location.

- a. Employees normally located in the United States who are on a temporary duty assignment outside of the country for one year or less should be reported in the U.S. state, territory, or possession where they are normally located.
- b. Employees normally located in the United States who are on a duty assignment outside of the country for more than one year and carried on the payroll of the domestic U.S. affiliate should be reported in item 211. 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 in item 211. 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 at a foreign operating location or subsidiary that are owned by the foreign operating location or subsidiary should not be consolidated on this BE-12 report. However, if such machinery or similar equipment are owned by the U.S. affiliate and loaned or leased (under an operating lease) to the foreign operating location or subsidiary, then it should be included in item 211 "foreign."
- e. Use the "foreign" line to report oil and gas sites that (1) are owned by the U.S. affiliate; (2) are located outside of U.S. claimed territorial waters; (3) are **not** incorporated in a foreign country; (4) are **not** organized as a branch; and (5) do **not** otherwise have a physical presence in a foreign country as evidenced by plant and equipment or employees located in a foreign country.
- f. Use the category "foreign" to report communication channels that physically exist (i.e., are tangible) that are (1) located outside of the United States, (2) owned by the U.S. affiliate, and (3) carried directly on the U.S. affiliate's book (i.e., not carried on the books of a foreign affiliate owned by the U.S. affiliate). Report satellites in item 212.

**212. Other property, plant, and equipment** — Use this line to report (1) items that frequently switch locations such as aircraft, railroad rolling stock, ships of U.S. registry, and vehicles engaged in interstate transportation, (2) items such as pipelines, fiber optic cable, power lines, etc., located in more than one state that cannot be allocated among specific states, (3) satellites, underwater 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) items owned by an unincorporated U.S. affiliate's foreign parent but which are in the U.S. affiliate's possession in the United States.



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

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

**PLEASE REVIEW THE INSTRUCTIONS ON PAGE 16.**

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

LOCATION	State code	Number of employees at the end of FY 2007 — Total must equal item 37, column (3) and item 89 column (1).	The portion of employees in column (3) that are manufacturing employees	Gross book value (historical cost) of all land and other property, plant, and equipment wherever carried on balance sheet, FY 2007 closing balance. <i>Must equal item 92 column (2) and item 104.</i>				The portion of column (5) that is commercial property			
				(5)				(6)			
				Number	Number	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.
<b>155. TOTAL for each column must equal sum of items 156 through 212</b>	2700	3	4	5	\$			6	\$		
156. Alabama	2701	2 01	3	4	5			6			
157. Alaska	2702	2 02	3	4	5			6			
158. Arizona	2703	2 04	3	4	5			6			
159. Arkansas	2704	2 05	3	4	5			6			
160. California	2705	2 06	3	4	5			6			
161. Colorado	2706	2 08	3	4	5			6			
162. Connecticut	2707	2 09	3	4	5			6			
163. Delaware	2708	2 10	3	4	5			6			
164. Florida	2709	2 12	3	4	5			6			
165. Georgia	2710	2 13	3	4	5			6			
166. Hawaii	2711	2 15	3	4	5			6			
167. Idaho	2712	2 16	3	4	5			6			
168. Illinois	2713	2 17	3	4	5			6			
169. Indiana	2714	2 18	3	4	5			6			
170. Iowa	2715	2 19	3	4	5			6			
171. Kansas	2716	2 20	3	4	5			6			
172. Kentucky	2717	2 21	3	4	5			6			
173. Louisiana	2718	2 22	3	4	5			6			
174. Maine	2719	2 23	3	4	5			6			
175. Maryland	2720	2 24	3	4	5			6			
176. Massachusetts	2721	2 25	3	4	5			6			
177. Michigan	2722	2 26	3	4	5			6			
178. Minnesota	2723	2 27	3	4	5			6			
179. Mississippi	2724	2 28	3	4	5			6			
180. Missouri	2725	2 29	3	4	5			6			
181. Montana	2726	2 30	3	4	5			6			
182. Nebraska	2727	2 31	3	4	5			6			
183. Nevada	2728	2 32	3	4	5			6			
184. New Hampshire	2729	2 33	3	4	5			6			
185. New Jersey	2730	2 34	3	4	5			6			
186. New Mexico	2731	2 35	3	4	5			6			
187. New York	2732	2 36	3	4	5			6			
188. North Carolina	2733	2 37	3	4	5			6			
189. North Dakota	2734	2 38	3	4	5			6			
190. Ohio	2735	2 39	3	4	5			6			
191. Oklahoma	2736	2 40	3	4	5			6			
192. Oregon	2737	2 41	3	4	5			6			
193. Pennsylvania	2738	2 42	3	4	5			6			
194. Rhode Island	2739	2 44	3	4	5			6			
195. South Carolina	2740	2 45	3	4	5			6			
196. South Dakota	2741	2 46	3	4	5			6			
197. Tennessee	2742	2 47	3	4	5			6			
198. Texas	2743	2 48	3	4	5			6			
199. Utah	2744	2 49	3	4	5			6			
200. Vermont	2745	2 50	3	4	5			6			
201. Virginia	2746	2 51	3	4	5			6			
202. Washington	2747	2 53	3	4	5			6			
203. West Virginia	2748	2 54	3	4	5			6			
204. Wisconsin	2749	2 55	3	4	5			6			
205. Wyoming	2750	2 56	3	4	5			6			
206. District of Columbia	2751	2 11	3	4	5			6			
207. Puerto Rico	2752	2 43	3	4	5			6			
208. Virgin Islands	2753	2 52	3	4	5			6			
209. U.S. offshore oil and gas sites – See instruction 209 on page 16.	2756	2 65	3	4	5			6			
210. Other U.S. areas – includes Guam, American Samoa, and all other territories and possessions not separately listed	2754	2 60	3	4	5			6			
211. Foreign – See instruction 211 on page 16.	2758	2 70	3	4	5			6			
212. Other property, plant and equipment – See instruction 212 on page 16.	2759	2 71			5						

**PART III - INVESTMENT AND TRANSACTIONS BETWEEN U.S. AFFILIATE AND FOREIGN PARENT**

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

**Instructions for Part III** - Prepare a separate Part III to report each ownership interest held by a foreign parent, at anytime during the fiscal year that ended in calendar year 2007, in the U.S. affiliate named on page 1 of this BE-12. Such ownership interests are reported on page 4 (and, if applicable, continued on a separate sheet). If a foreign parent held **both direct and indirect** ownership interests in this U.S. affiliate, prepare one Part III to report the direct interest and a separate Part III to report the indirect interest. A Part III must also be prepared for foreign parent ownership interests disposed of in their entirety during the year.

Use this Part III to report the foreign parent with the largest 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 (UBO)**

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

3010

**BEA USE ONLY**  
Control number

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**214. What is the name of the foreign parent being reported on in this Part III?**

3011

Name of foreign parent

**215. For the foreign parent named in item 214 above, this Part III is being used to report - Mark (X) one**

- a.**  **a direct** ownership interest in the U.S. affiliate (as reported in item 12 on page 4). See example 1 on page 4 for an illustration of a direct ownership interest.
- b.**  **an indirect** ownership interest in the U.S. affiliate (as reported in item 13 on page 4). See example 2 on page 4 for an illustration of an indirect ownership interest.

**216. If item 215a is marked - Give percent of -**

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

"Voting interest" and "equity interest" are defined in instruction 12-16 on page 30 at the back of this form. If the U.S. affiliate is a partnership or Limited Liability Company also see instructions 6.b. and 6.c. on page 30 at the back of this form.

**NOTE** - Sum of item 216a, (voting interest owned) columns 1 and 2 of all Part III's must equal the sum of item 12 columns 1 and 2. The sum of item 216b, columns 1 and 2 of all Part III's must equal the sum of item 12 columns 3 and 4.

**217. Country in which foreign parent named in item 214 -**

- 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 217a . . .

<input style="width: 100%; height: 25px;" type="text"/>	3016
<input style="width: 100%; height: 25px;" type="text"/>	3017

**BEA USE ONLY**

<input style="width: 40px; text-align: center;" type="text" value="1"/>	
<input style="width: 40px; text-align: center;" type="text" value="1"/>	

**218. Enter the industry code of the foreign parent** named in item 214, 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

**FOREIGN PARENT AND UBO INDUSTRY CODES**

**Note:** "ISI codes" are International Surveys Industry codes, as given in the *Guide to Industry Classifications for International Surveys, 2007*.

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

**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.O. on page 28 for the complete definition of UBO.

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

**219. Is the foreign parent named in item 214 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 222*  
<sup>1</sup>  **2** No – (examples 2A and 2B below) – *Continue with 220*

**220. 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 28 for the definition of associated group. Identifying the UBO as "bearer shares" is not an acceptable response.

3021

**221. Enter country of UBO.** For individuals, see instruction V.F. on page 33.

**BEA USE ONLY**

3022

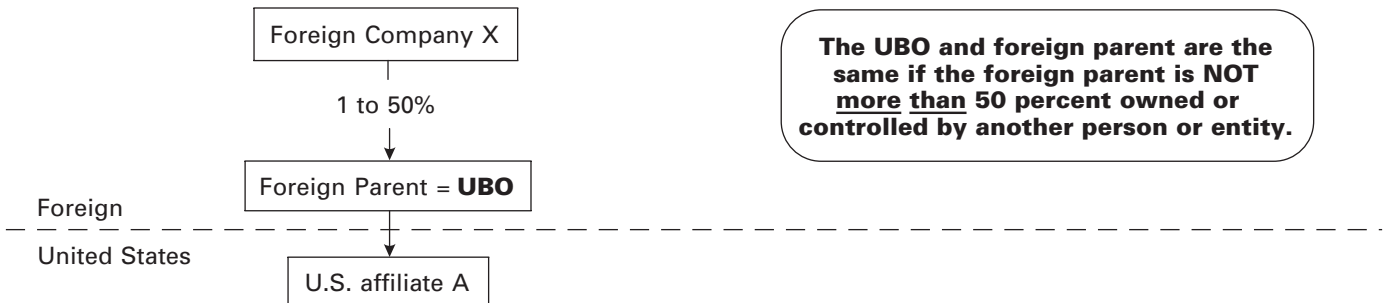
**222. Enter the industry code of the UBO** from the list of codes at the bottom of page 18. **NOTE –** The UBO industry code is based on the consolidated world-wide activities of all majority-owned subsidiaries of the UBO. Select the industry code that best reflects the consolidated world-wide sales of the UBO, including all of its majority-owned subsidiaries.

3023  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 223 ON PAGE 20**

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

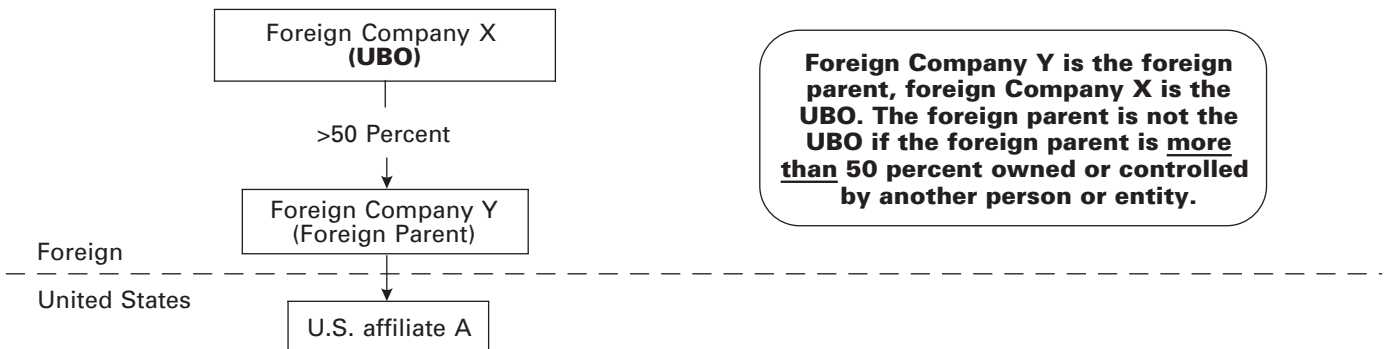
**Example 1 – The UBO and Foreign Parent are the same**



**The UBO and foreign parent are the same if the foreign parent is NOT more than 50 percent owned or controlled by another person or entity.**

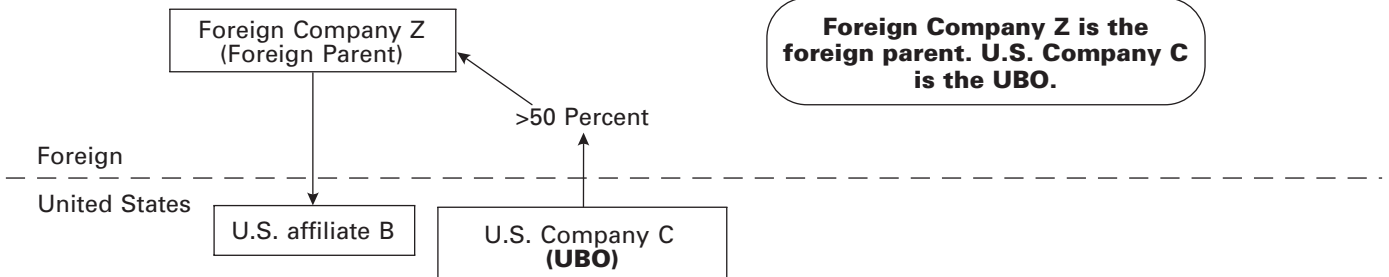
**Examples 2A and 2B – The Foreign Parent is NOT the UBO**

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



**Foreign Company Y is the foreign parent, foreign Company X is the UBO. The foreign parent is not the UBO if the foreign parent is more than 50 percent owned or controlled by another person or entity.**

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



**Foreign Company Z is the foreign parent. U.S. Company C is the UBO.**

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

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

**NOTE**

Data reported in Sections B, C, and D, must be for the fully consolidated U.S. affiliate. The consolidation rules are found on page 29 at the back of this form.

**223. Copy your answer from item 215 on page 18 to the appropriate box below and follow the applicable instructions.**

- a. <sup>1</sup>  A **direct** interest – Complete all items on Part III pages 20 and 21 and then continue with Part IV on page 22. Do not duplicate data reported on other Part IIIs.
- b. <sup>1</sup>  An **indirect** interest – Complete **ONLY** items 224, 225, and 226 on Part III page 20 and then continue with Part IV on page 22. Do not duplicate data reported on other Part IIIs.

**Section B – INTERCOMPANY BALANCES, INTEREST, DIVIDENDS, AND DISTRIBUTED EARNINGS BETWEEN THE U.S. AFFILIATE AND THE FOREIGN PARENT NAMED IN ITEM 214**

**Report all current and long-term intercompany accounts, interest, and dividends or distributed earnings between the U.S. affiliate and the foreign parent named in item 214.**

**Capital leases** – If leases between the U.S. affiliate and the foreign parent are capitalized, then the outstanding capitalized value should be reported in items 224 and 225 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 224 or 225, and (ii) interest, to be reported in item 226.

**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.

**LIABILITIES AND RECEIVABLES**

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

- Do NOT net liabilities against receivables.

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

**224. Liabilities owed directly TO the foreign parent named in item 214 by the U.S. affiliate – Current and long-term**

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

**225. Receivables due to the U.S. affiliate directly FROM the foreign parent named in item 214 – Current and long-term.** Include certificates of deposit and other deposits of the U.S. affiliate (that would otherwise be included in cash on your balance sheet) held by the foreign parent. See note in item 42 on page 7.

1						2			
---	--	--	--	--	--	---	--	--	--

**INTEREST**

**What were the interest payments and receipts between the U.S. affiliate and the foreign parent named in item 214?**

- **Report** amounts GROSS OF WITHHOLDING TAXES
- Include interest on capital leases.
- Do NOT net payments against receipts.

	Payments or credits by U.S. affiliate to foreign parent								Receipts by or credits to U.S. affiliate from foreign parent							
	Gross payments (before deduction of U.S. tax withheld) (1)				U.S. tax withheld (2)				Gross receipts (before deduction of foreign tax withheld) (3)				Foreign tax withheld (4)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>226. Interest</b>																
	\$				\$				\$				\$			

**DIVIDENDS OR DISTRIBUTED EARNINGS**

**Report** dividends as of the date they were declared or paid, GROSS of any U.S. tax withheld. Any subsequent settlement of dividends declared but not paid SHOULD NOT be reported a second time, but should be reflected only as a reduction in item 224.

- **Exclude** stock and liquidating dividends. **Report** liquidating dividends in item 230.

**Report** gross amounts of earnings distributed by unincorporated U.S. affiliates, whether out of current or past earnings.

- INCORPORATED U.S. AFFILIATE

**227. Dividends — On common and preferred stock, excluding stock and liquidating dividends**

		Payments or credits by U.S. affiliate to foreign parent							
		Gross payments (before deduction of U.S. tax withheld) (1)				U.S. tax withheld (2)			
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
1						2			
	\$					\$			

- UNINCORPORATED U.S. AFFILIATE

**228. Distributed earnings**

1						2			
	\$					\$			

**BEA USE ONLY**

3106



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

**Section C – CHANGES IN EQUITY HOLDINGS IN THE U.S. AFFILIATE DURING THE YEAR BY THE FOREIGN PARENT NAMED IN ITEM 214**

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 year.

**Report** the transactions (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.

FOR TRANSACTIONS BETWEEN FOREIGN PARENT AND U.S. AFFILIATE

**229. What is the transaction value of the foreign parent’s increase in equity interest?**

**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 the 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) and adjust the debt balance as appropriate in item 224.

**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			
3065	\$		

**230. What is the transaction value of the foreign parent’s decrease in equity interest?**

**Include:**

- sales of capital stock by the foreign parent to the U.S. affiliate;
- returns of contributed equity capital to the foreign parent not resulting in the reduction of issued stock;
- 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.

1			
3066	\$		

FOR TRANSACTIONS BETWEEN FOREIGN PARENT AND AN ENTITY OTHER THAN U.S. AFFILIATE

**What is the transaction value of the ACQUISITION of an equity interest in the U.S. affiliate by the foreign parent:**

**231. From a U.S. entity other than the U.S. affiliate?**

1			
3067	\$		

**232. From all foreign entities?**

1			
3068	\$		

**What is the transaction value of the SALE of an equity interest in the U.S. affiliate by the foreign parent:**

**233. To U.S. entities other than the U.S. affiliate?**

1			
3069	\$		

**234. To all foreign entities?**

1			
3070	\$		

**What is the total transaction value of the change in the foreign parent’s equity interest in the U.S. affiliate?**

**235.** This item should equal the sum of items 229, 231, and 232 MINUS the sum of items 230, 233, and 234.

1			
3071	\$		

**For items 231 through 234 what are the amounts by which the transactions values reported in those items:**

**236. Exceed the value carried on the books of the U.S. affiliate?**

For acquisition (items 231 and 232) (1)				For sale or termination of operations (items 233 and 234) (2)			
Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.

1				2			
3090	\$				\$		

**237. Are less than the value carried on the books of the U.S. affiliate?**

1				2			
3091	\$				\$		

**Section D – FOREIGN PARENT’S EQUITY IN U.S. AFFILIATE’S NET INCOME (LOSS), CERTAIN REALIZED AND UNREALIZED GAINS (LOSSES), AND THE CHANGE IN ALL OTHER COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

Based on the foreign parent’s direct equity in the U.S. affiliate during FY 2007, enter —

**238. Foreign parent’s direct equity in U.S. affiliate’s net income (loss) after provision for U.S. Federal, State, and local income taxes — Enter the foreign parent’s share of item 68.**

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

1			
3085	\$		

**239. Foreign parent’s share of certain realized and unrealized gains (losses) included in net income — Enter the foreign parent’s share of item 61.**

1			
3086			

**240. Foreign parent’s share of U.S. Federal, State, and local income taxes that are taxes on certain realized and unrealized gains (losses) included in net income — Enter the portion of item 65 that is the income tax effect on the amount reported in item 239.**

1			
3087			

**241. Foreign parent’s share of the CHANGE during fiscal year 2007 in the accumulated other comprehensive income (loss) balance (excluding the translation adjustment component) reported on line 56b (all other components) of the balance sheet.**

1			
3088	\$		

**PLEASE CONTINUE ON PAGE 22**

**BEA USE ONLY**

1	2
3089	

**PART IV – BALANCES AND INTEREST BETWEEN U.S. AFFILIATE, AS CONSOLIDATED, AND FOREIGN AFFILIATES OF THE FOREIGN PARENT(S) (FAFPs)**

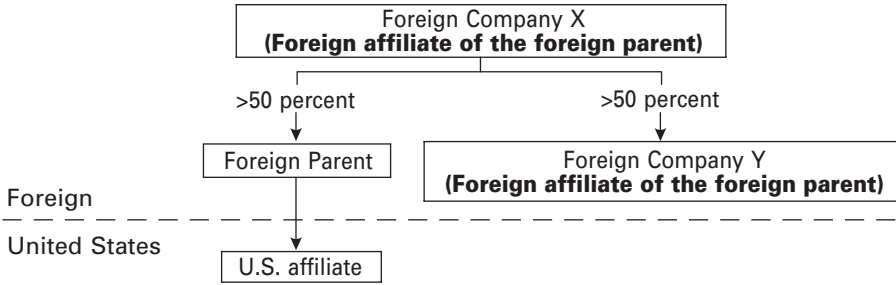
Report all amounts in thousands of U.S. dollars.

**242. Does this consolidated U.S. affiliate have accounts or direct transactions with foreign affiliates of the foreign parent (FAFPs)?** See definition of FAFP and example below.

4100 <sup>1</sup>  **Yes** – Complete the rest of Part IV      <sup>1</sup>  **No** – Do not complete Part IV

**Foreign affiliate of a foreign parent** means, with reference to a given U.S. affiliate, any member of the foreign parent group (see illustration at the bottom of page 9) owning the U.S. affiliate that is not a foreign parent of the U.S. affiliate.

**Example**



**Foreign companies X and Y are "foreign affiliates of the foreign parent." Majority owners of the foreign parent are foreign affiliates of the foreign parent. Majority-owned subsidiaries of these majority owners also are foreign affiliates of the foreign parent.**

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

**Complete Sections A and B below if item 242 above is answered "Yes." If more rows are needed to list all countries, use additional sheets as necessary. Photocopies of page 22 may be used for this purpose.**

**Report** all current and long-term intercompany payable and receivable accounts and interest transactions between the U.S. affiliate and the foreign affiliates of the foreign parent (FAFPs).

**Capital leases** – If leases between the U.S. affiliate and the FAFPs are capitalized, then the outstanding capitalized values should be reported as an intercompany liability or receivable balance. Lease payments should be disaggregated into the amounts that are (i) a reduction in an intercompany liability or receivable balance and (ii) interest.

**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.

**Columns (2) and (3) – Liabilities/Receivables balances by country** – What were the balances with the FAFPs at the end of the year? Do not net payables against receivables.

**Column (4) – Interest Paid/Received by country** – Include interest on capital leases.

Country of FAFP <i>Enter amounts for all individual countries where liabilities or receivables were \$2,000,000.00 or more.</i>	BEA USE ONLY (1)	Current and long-term liabilities or receivables								Interest, including interest on capital leases (before deduction of U.S. tax withheld) (4)				
		Close FY 2007 (2)				Close FY 2006 (3)								
<b>Section A – U.S. AFFILIATE'S LIABILITIES AND INTEREST PAYMENTS TO FAFP</b>		<b>Liabilities of U.S. affiliate TO FAFPs</b>								<b>Paid/Accrued</b>				
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	
<b>243.</b> Canada	4101	1	100			2				3				4
<b>244.</b> United Kingdom	4102	1	327			2				3				4
<b>245.</b> Netherlands	4103	1	319			2				3				4
<b>246.</b> Japan	4104	1	614			2				3				4
<b>247.</b> Other countries — <i>Specify</i>	4105	1				2				3				4
<b>248.</b>	4106	1				2				3				4
<b>249.</b>	4107	1				2				3				4
<b>250.</b>	4108	1				2				3				4
<b>251.</b>	4109	1				2				3				4
<b>252.</b> Unallocated – values for countries that individually amount to less than \$2,000,000.00.	4110	1	709			2				3				4
<b>253. TOTAL – Sum of items 243 through 252</b> →	4149	1				2				3				4
<b>Section B – U.S. AFFILIATE'S RECEIVABLES AND INTEREST RECEIPTS FROM FAFP</b>		<b>Receivables of U.S. affiliate FROM FAFPs</b>								<b>Interest received/accrued</b>				
		<b>NOTE</b> — Include certificates of deposit and other deposits of the U.S. affiliate held by the FAFP.								(before deduction of foreign tax withheld)				
		Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	
<b>254.</b> Canada	4150	1	100			2				3				4
<b>255.</b> United Kingdom	4151	1	327			2				3				4
<b>256.</b> Netherlands	4152	1	319			2				3				4
<b>257.</b> Japan	4153	1	614			2				3				4
Other countries — <i>Specify</i>	4154	1				2				3				4
<b>258.</b>	4154	1				2				3				4
<b>259.</b>	4155	1				2				3				4
<b>260.</b>	4156	1				2				3				4
<b>261.</b>	4157	1				2				3				4
<b>262.</b>	4158	1				2				3				4
<b>263.</b> Unallocated – values for countries that individually amount to less than \$2,000,000.00.	4159	1	709			2				3				4
<b>264. TOTAL – Sum of items 254 through 263</b> →	4199	1				2				3				4

**BE-12(LF) Supplement A (2007)**

**BEA USE ONLY**

Page number

Name of U.S. affiliate as shown in item A, page 1, of BE-12(LF)

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

NOTE – If you filed a Supplement A or a computer printout of Supplement A with your 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(LF). Continue listing onto as many additional copied pages as necessary.

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

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

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)	Page number 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(LF) Supplement B (2007)**  
(REV. 12/2007)

**BEA USE ONLY**

Page number

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

Name of U.S. affiliate as shown in item A, page 1, of BE-12(LF)

**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(LF) 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 1, of BE-12(LF). Continue listing onto as many additional copied pages as necessary.

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

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

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

# BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES — 2007 FORM BE-12(LF) INSTRUCTIONS

**NOTE:** Instructions in section IV. are cross referenced by number to the items located on pages 2 to 26 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, persons 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 Claim For Not Filing, whichever is applicable, by **May 31, 2008**.

**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 long form is estimated to vary from 7 to 715 hours per response, with an average of 104 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 and review the flow chart and section A.2. on page 28.

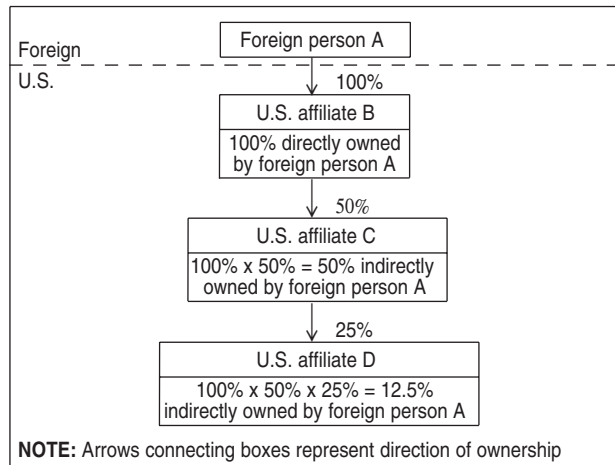
**A. Who must report** – A BE-12 report is required for each U.S. affiliate, i.e., for each U.S. business enterprise in which a foreign person or entity owned or controlled, directly or indirectly, 10 percent or more of the voting securities if an incorporated U.S. business enterprise, or an equivalent 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 below, foreign person A owns 100% of the voting stock of U.S. affiliate B; U.S. affiliate B owns 50% of the voting stock of U.S. affiliate C; and U.S. affiliate C owns 25% of the voting stock of U.S. affiliate D. Therefore, U.S. affiliate B is 100% directly owned by foreign person A; U.S. affiliate C is 50% indirectly owned by foreign person A; and U.S. affiliate D is 12.5% indirectly owned by foreign person A.

### Calculation of Foreign Ownership



A report is required even though the foreign person's voting interest in the U.S. business enterprise may have been established or acquired during the reporting period.

Beneficial, not record, ownership is the basis of the reporting criteria. Voting securities, voting stock, and voting interest all have the same general meaning and are used interchangeably throughout these instructions and the report forms.

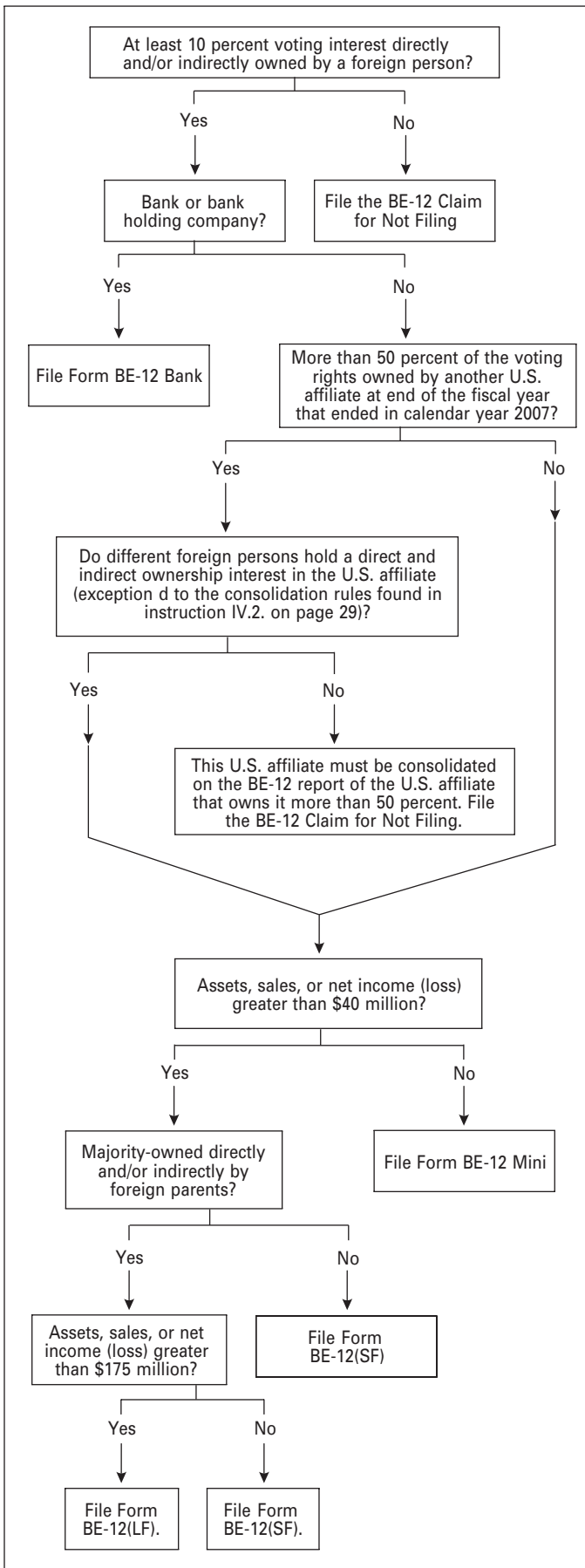
**Airlines and ship operators** – U.S. stations, ticket offices, and terminal and port facilities of foreign airlines and ship operators that provide services ONLY to the foreign airlines' and ship operators' own operation are not required to report. Reports are required when such enterprises produce significant revenues from services provided to unaffiliated persons.

**1. Which form to file** – Please review the questions below and the flow chart on page 28 to determine if your U.S. business is required to file Form BE-12(LF). Blank forms can be found at: [www.bea.gov/fdi](http://www.bea.gov/fdi)

- a. Were at least 10 percent of the voting rights in your business directly or indirectly owned by a foreign person at the end of your 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(LF). File Form 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(LF). 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. starting on page 29.)
  - 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 Form BE-12 Claim For Not Filing with page 1 and item (e) on page 2 completed 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(LF). 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 2007 fiscal year? (A U.S. affiliate is "majority owned" if the combined direct and indirect ownership interests of **all** foreign parents of the U.S. affiliate exceed 50 percent.)
  - Yes – Continue with question 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 2007 fiscal year?
  - 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(LF) – 2007 Benchmark Survey of Foreign Direct Investment in the United States – (Long Form)?**

A Form BE-12(LF) 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:

- a. It is not a bank, **and**
- b. The ownership or control (both direct and indirect) by **all** foreign parents in the **voting securities** of an incorporated U.S. business enterprise (or an equivalent interest of an unincorporated U.S. business enterprise) at the end of the fiscal year that ended in calendar year 2007, **exceeded 50 percent** (i.e., the voting securities, or equivalent interest were **majority owned** by foreign parents), **and**

c. On a fully consolidated, or, in the case of real estate investments, an aggregated basis, **any one** of the following three items – **Total assets** (do not net out liabilities), **or Sales or gross operating revenues**, excluding sales taxes, **or Net income** after provision for U.S. income taxes – for the U.S. affiliate (not just the foreign parent's share) exceeded \$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 32.

**II. DEFINITIONS**

- A. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- B. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- C. Person**, means any individual, branch, partnership, association, associated group, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the U.S. Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
- D. Associated group** means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. The following are deemed to be associated groups:
  1. Members of the same family.
  2. A business enterprise and one or more of its officers or directors.
  3. Members of a syndicate or joint venture.
  4. A corporation and its domestic subsidiaries.
- E. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- F. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 percent or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.
- G. Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.
- H. Business enterprise** means any organization, association, branch, or venture which exists for profit making purposes or to otherwise secure economic advantage, and any ownership of any real estate.
- I. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- J. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 percent or more of its voting securities for an incorporated business enterprise or an equivalent interest for an unincorporated business enterprise, including a branch.
- K. U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.
  1. **Majority-owned U.S. affiliate** means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate exceeds 50 percent.
  2. **Minority-owned U.S. affiliate** means a U.S. affiliate in which the combined direct and indirect voting interest of all foreign parents of the U.S. affiliate is 50 percent or less.
- L. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.
- M. U.S. corporation** means a business enterprise incorporated in the United States.
- N. Intermediary** means any agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.
- O. 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.



## II. DEFINITIONS – Continued

- P. 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.
- Q. 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. 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.
- B. 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.
- C. 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(LF) require data that may not normally be maintained in a company's customary accounting records. Precise answers for these items may present the respondent with a substantial burden beyond what is intended by BEA. This may be especially true for:
- **Part I, Items 24 thru 34** – Number of employees in each industry of sales;
  - **Part II, Section D** – Distribution of sales or gross operating revenues, by whether the sales were goods, investment income, or services, and the distribution of sales of services by transactor;
  - **Part II, Section K** – Exports and imports of goods by U.S. affiliate on a shipped basis, and
  - **Part II, Section L** – 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.

- D. Specify** – When "specify" is stated for certain items, provide the type and dollar amount of the major items included in the data provided.
- 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 26 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 28 and V.C. starting on page 32 for details.

Do not prepare your BE-12 report using the proportionate consolidation method. Except as noted in b. through d. below, 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 majority-owned subsidiaries, if not consolidated, on Form BE-12(LF), 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 not consolidated **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 for holdings reported using the equity method.

DO NOT list any foreign holdings 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.

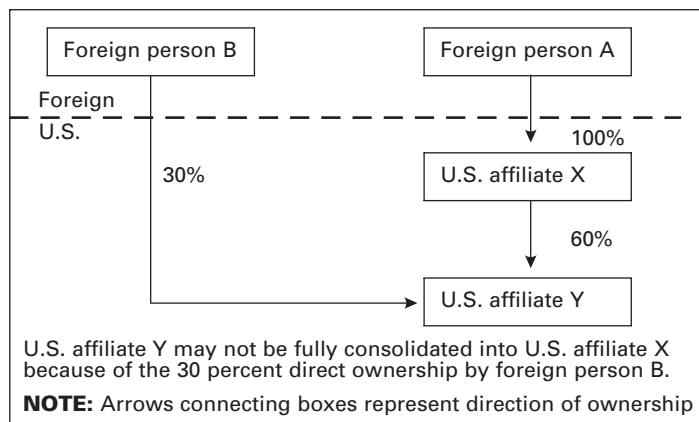
Real estate located outside the United States that is owned by the U.S. affiliate and generates revenues for, or reimbursements to, the U.S. affiliate, or that facilitates the foreign operations of the U.S. affiliate is a foreign subsidiary and should not be consolidated on this BE-12 report.

- b. Do not consolidate banking activities.** If the nonbank U.S. affiliate reporting on the Form BE-12(LF) has a direct or indirect ownership interest in a U.S. bank, bank holding company (BHC), or any other banking activity, such as a U.S. wholesale or limited purpose bank, DO NOT consolidate those banking activities into the Form BE-12(LF). Banks are required to file a separate BE-12 Bank report. List unconsolidated banking affiliates on the Supplement B of the BE-12(LF).

Include on Form BE-12(LF) any banking operations owned 20 percent or more (including those that are majority-owned) using the equity method of accounting. Do not report employment, land, and other property, plant, and equipment and DO NOT eliminate intercompany accounts for banking operations reported using the equity method.

For BE-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/ltdpartner12](http://www.bea.gov/ltdpartner12). Also see instruction 6.b. on page 30 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 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-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.

- 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.

#### 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.

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

The ending balance sheet amounts reported in column (1) of items 42 through 58 must be the correct balances as of March 31, 2007. The beginning balance sheet amounts reported in column (2) must be the **unrestated ending balances as of June 30, 2006**. To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate A must include an adjusting entry in item 70. To reconcile the beginning and ending net property, plant and equipment balances, affiliate A must include an adjusting entry in item 95.

- (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-15 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.

In this example, the ending balance sheet amounts reported in column (1) of items 42 through 58 must be the correct balances as of March 31, 2007. The beginning balance sheet amounts reported in column (2) must be the **unrestated ending balances as of December 31, 2006**. To reconcile the beginning and ending retained earnings balances (or, if retained earnings is not shown as a separate account, the beginning and ending owners' equity balances) affiliate B must include an adjusting entry in item 70. To reconcile the beginning and ending net property, plant and equipment balances, affiliate B must include an adjusting entry in item 95.

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.

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

##### a. Directly owned vs. indirectly owned

- (1) **DIRECTLY OWNED** – Each unincorporated U.S. affiliate, including a branch, that is directly owned 10 percent or more by a foreign person should file a separate BE-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 28 and V.C. starting on page 32 for details on real estate.
- (2) **INDIRECTLY OWNED** – Except as noted in the exceptions to the consolidation rules on page 29, an indirectly owned unincorporated U.S. affiliate that is owned more than 50 percent (voting interest) by another U.S. affiliate should be fully consolidated on the report with the U.S. affiliate that holds the voting interest greater than 50 percent. An indirectly owned unincorporated U.S. affiliate owned 50 percent (voting interest) 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 or limited partnerships. A general partnership usually consists of at least two general partners who together control the partnership. A limited partnership usually consists of at least one general partner and one limited partner. The general partner usually controls a limited partnership. The limited partner has a financial interest but does not usually have any voting rights (control) in a limited partnership.

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

##### (1) General Partnerships

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

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

##### (2) Limited Partnerships

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

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

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

##### (b) Consolidation Rules

**Special consolidation rules apply to U.S. affiliates that are limited partnerships or that have an ownership interest in a U.S. limited partnership.** These rules can be found on our web site at: [www.bea.gov/tdpartner12](http://www.bea.gov/tdpartner12)

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

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

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

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

You may report immaterial investments using the cost method of accounting if this treatment is consistent with your normal reporting practice. Report investments owned less than 20 percent in accordance with FAS 115 (Accounting for Certain Investments in Debt and Equity Securities) or the cost basis of accounting.

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

#### 12-16 – Ownership – Voting interest and Equity interest

- a. **Voting interest** is the percent of ownership in the voting equity of the U.S. affiliate. Voting equity consists of ownership interests that have a say in the management of the company. Examples of voting equity include capital stock that has voting rights, and a general partner's interest in a partnership. See instructions 6.b.(1) and 6.b.(2)(a) above for information about determining the voting interest for partnerships. See instruction 6.c. above for information about determining the voting interest for Limited Liability Companies.
- b. **Equity interest** is the percent of ownership in the total equity (voting and nonvoting) of the U.S. affiliate. Nonvoting equity consists of ownership interests that do not have a say in the management of the company. An example of nonvoting equity is preferred stock that has no voting rights.



#### IV. 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. Since foreign parent B owns all of the voting stock, foreign parent B has a 100 percent voting interest in U.S. affiliate A. However, since all 50 of the nonvoting preferred shares are owned by U.S. investors, foreign parent B has only a 50 percent equity interest in the owners' equity amount of U.S. affiliate A.

#### 24–37

##### 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).

##### 38. Number of employees covered by collective bargaining agreements — Employees are covered by collective bargaining agreements if:

- They are represented by a labor organization which is recognized as their bargaining agent,
- Their wages are determined by collective bargaining, and
- Settlements are embodied in signed, mutually binding collective bargaining agreements.

Thus, include employees covered by national unions, plant unions, or any other organization meeting these criteria.

A reasonable estimate is acceptable. If necessary, to facilitate estimation, you may consider all employees of a given establishment, plant, location, unit, etc., to be covered by collective bargaining agreements if a majority of those employees meet the three criteria above.

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

##### Section B – INCOME STATEMENT

##### 61. Certain realized and unrealized gains (losses) –

**Special instructions for (1) dealers in financial instruments, finance and insurance companies, and (2) real estate companies.**

**(1) Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies** – Include in item 61:

- impairment losses as defined by FAS 115,
- realized gains and losses on trading or dealing,
- unrealized gains or losses, due to changes in the valuation of financial instruments, that flow through the income statement, and
- goodwill impairment as defined by FAS 142.

**EXCLUDE** unrealized gains or losses due to changes in the valuation of financial instruments that are taken to other comprehensive income. Reflect such changes in items 56b and 56c (total accumulated other comprehensive income (loss)).

**EXCLUDE** income from explicit fees and commissions from item 61. Include income from these fees and commissions as part of your income from operations reported on page 5.

**(2) Real estate companies** – Include in item 61:

- impairment losses, as defined by FAS 144, and
- goodwill impairment as defined by FAS 142.

**EXCLUDE** the revenues earned and expenses incurred from the sale of real estate you own. Such revenues should be reported as operating income in item 37 column 2, and items 59 and 76, and as sales of goods in item 77. Such expenses, including the net book value of the real estate sold, should be reported as costs of goods sold in item 64. Do not net the expenses against the revenues.

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

#### 76–83

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

**77. 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 in item 79.
- Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services in item 79.
- 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 in item 79.

**78. Investment income** – Report dividends and interest generated by finance and insurance activities as investment income. NOTE: Report commissions and fees as sales of services in item 79.

**79. 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 in item 77.
- Newspapers.
- Pipeline transportation.
- Software downloaded from the Internet, electronic mail, an Extranet, Electronic Data Interchange network, or some other online system.
- Computer systems design and related services.
- Negotiated licensing fees for software to be used on networks.
- Electricity transmission and distribution, Natural gas distribution, and Water distribution.

##### Section E – TOTAL EMPLOYEE COMPENSATION

#### 84–86

**84. 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.

**85. 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.

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

##### Section F – EMPLOYEES AND EMPLOYEE COMPENSATION BY STANDARD OCCUPATION CLASSIFICATION (SOC) GROUPS

87–89

**Standard Occupation Classification (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.

##### Section J – TECHNOLOGY

109–116

**Research and development (R&D) definition** – 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 engineering, the physical sciences such as chemistry and physics, the biological sciences such as medicine, the mathematical and statistical sciences, and computer science. R&D includes these activities if the purpose is to do one or more of the following:

- a. The planned systematic pursuit of new knowledge or understanding toward general application (**basic research**);
- b. The acquisition of knowledge or understanding to meet a specific, recognized need (**applied research**); and
- c. The application of knowledge or understanding toward the production or improvement of a product, service, process, or method (**development**).

**Basic research** is the pursuit of new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest.

**Applied research** applies the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives with respect to new products, services, processes, or methods.

**Development** is the systematic use of the knowledge or understanding gained from research or practical experience directed toward the production or significant improvement of useful products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems.

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 a separate R&D organization.

**Research and development expenditures** – INCLUDE all costs incurred to support R&D. INCLUDE wages, salaries, and related costs; materials and supplies consumed; depreciation on R&D property and equipment, cost of computer software used in R&D activities; utilities, such as telephone, telex, electricity, water, and gas; travel costs and professional dues; property taxes and other taxes (except income taxes) incurred on account of the R&D organization or the facilities they use; insurance expenses; maintenance and repair, including maintenance of buildings and grounds; company overhead including: personnel, accounting, procurement and inventory, and salaries of research executives not on the payroll of the R&D organization. EXCLUDE capital expenditures, expenditures for tests and evaluations once a prototype becomes a production model, patent expenses, and income taxes and interest.

EXCLUDE expenditures for quality control; routine product testing; market research; sales promotion, sales service, and other nontechnological activities; routine technical services; research in the social sciences or psychology; geological and geophysical exploration activities, and advertising programs to promote or demonstrate new products or processes.

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

Item on Form BE-12(LF):

- 37 SALES OR GROSS OPERATING REVENUES, EXCLUDING SALES TAXES** – Include items such as earned premiums, annuity considerations, gross interest and dividend income, and items of a similar nature. Exclude income from unconsolidated affiliates that is to be reported in item 60, and certain gains or losses that are to be reported in item 61.
- 43a. CURRENT RECEIVABLES** – Include current items such as agents' balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (gross of allowances for doubtful items) arising from the ordinary course of business.
- 50 CURRENT LIABILITIES AND LONG-TERM DEBT** – Include current items such as loss liabilities, policy claims, commissions due, other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other non-current liabilities," item 51, unless they are clearly current liabilities. Exclude mandatory securities valuation reserves that are appropriations of retained earnings. Include them in the owners' equity section of the balance sheet.
- 61 CERTAIN REALIZED AND UNREALIZED GAINS (LOSSES)** – See special instructions for item 61 on page 31 of this form.
- 64 COST OF GOODS SOLD OR SERVICES RENDERED, AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES** – Include costs relating to sales or gross operating revenues, item 59, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.
- 78 INVESTMENT INCOME** – Report that portion of sales or gross operating revenues, items 37 column (2), 59 and 76, that is investment income (e.g., interest and dividends). However, report gains and (losses) on investments in accordance with the special instructions for item 61 on page 31 of this form.
- 79 SALES OF SERVICES** – Include premium income and income from actuarial, claims adjustment, and other services, if any.

**B. Railroad transportation companies** – Railroad transportation companies should include only the net annual balances for interline settlement items (car hire, car repair, freight revenues, switching revenues, and loss and damage settlements) in items 43a, 48, and 50.

**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 28 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 nonaggregated 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. Nonaggregated reports should be filed as a group and you should inform BEA that they are all for one owner.

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

Thus, on page 1 of the BE-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



## V. SPECIAL INSTRUCTIONS – Continued

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

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

1. If the foreign interest in the U.S. affiliate is directly held by the foreign person, then a BE-12 report must be filed by the U.S. affiliate (subject to the exemption criteria and aggregation rules discussed above).
  2. If a voting interest of more than 50 percent in the U.S. affiliate is owned by another U.S. affiliate, the owned affiliate must be fully consolidated in the 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 "sales or gross operating revenue," and should report the nonoperating expenses that he or she may be responsible for, such as real estate taxes, interest on loans, etc., as expenses in the income statement.
2. If the farm is operated by a management firm that oversees the operation of the farm and hires an operator, but the operating income and expenses are assigned to the owner, the income and expenses so assigned should be shown in the requested detail in the income statement, and related items, as appropriate. (The report should not show just one item, i.e., the net of income less the management fee, where the management fee includes all expenses.)

## E. Estates, trusts, and intermediaries

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

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

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

### FOR AN INTERMEDIARY:

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

2. If a foreign beneficial owner holds a U.S. affiliate through a foreign intermediary, the U.S. affiliate may report the intermediary as its foreign parent but, when requested, must also identify and furnish information concerning the foreign beneficial owner. Accounts or transactions of the U.S. affiliate with the foreign intermediary are considered as accounts or transactions of the U.S. affiliate with the foreign beneficial owner.

## F. Determining place of residence and country of jurisdiction of individuals

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

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

## VI. FILING THE BE-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 go to: [www.bea.gov/fdi](http://www.bea.gov/fdi)

**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 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/fdi](http://www.bea.gov/fdi)

**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 27.)