

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Quarterly Survey of Financial Services Transactions between U.S. Financial
Services Providers and Foreign Persons (Form BE-185)
OMB Control Number: 0608-0065

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The potential respondent universe for the BE-185 survey is all U.S. financial services providers that engaged in covered financial services transactions with foreign persons. A financial services provider must report if its sales to foreign persons of covered financial services exceeded \$20 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year, or if its purchases from foreign persons of covered financial services exceeded \$15 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year.

BEA intends to mail the survey forms to approximately 675 U.S. companies. BEA estimates data for non-respondents, including those U.S. persons who fall below the reporting threshold for the quarterly survey but reported on the previous benchmark survey. Estimates will be based on prior reports and on growth in the value of transactions from a matched sample of respondents. Thus, estimates will cover virtually the entire universe of transactions.

Response rates to this quarterly survey in past years have been high, with a response rate of approximately 90 percent. BEA expects that these high response rates will continue for the survey, providing information of sufficient accuracy and reliability for its intended purposes.

When planning the initial quarterly survey of transactions in financial services, BEA compared the percentage of the universe to be covered using several reporting thresholds. Using the current thresholds of \$20 million for receipts and \$15 million for payments, coverage of financial services exports were approximately 94% and coverage of financial services imports were approximately 92%. BEA has classified a group of large respondents as priority companies and concentrates its compliance efforts on this group of companies. These companies typically report 90% to 98% of the data reported on the BE-185 survey. In the fourth quarter of 2011, 98% of the priority companies reported and were included in the private services estimates for the quarter. Though BEA cannot precisely measure the coverage of the universe by the BE-185 survey, based on this analysis, it is confident that the reporting thresholds proposed for the BE-185 survey will provide sufficient coverage.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

The survey will be administered to U.S. financial services providers that conduct cross-border financial services transactions. BEA expects most of the potential respondents to file the survey on a timely basis. In cases where a survey is not filed, or is filed too late to be used for the current estimate, BEA will generate an estimate based on data previously reported or estimated for the non-respondent, in conjunction with information on changes in the data for companies that did respond. No unusual problems have been identified that would require the use of specialized sampling procedures. BEA expects to be collecting data from a cutoff sample of firms meeting the reporting criteria.

The list of respondents will be derived from public and private sources, including business directories and establishment lists. Mandatory reporting is required from U.S. financial services providers that had sales of covered financial services to foreign persons exceeding \$20 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year, or had purchases of covered financial services from foreign persons exceeding \$15 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. Some data are expected to be provided voluntarily by persons not meeting these thresholds.

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

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

Any company specifically contacted by BEA must respond in writing, by filing a completed form BE-185, or a valid exemption claim. Non-respondents will be contacted by BEA staff and, in the event of continued non-response, will be referred to the Office of General Counsel for further action. BEA expects that at the time of the final revised estimates, reports will be received from virtually all companies required to report. To facilitate response, a notice will be sent to each company on a quarterly basis notifying the company of the requirement to file the survey and providing links to *eFile*, BEA's electronic filing system, a PDF version of the survey, and an electronic spreadsheet (.xls format) version of the survey.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No tests were conducted.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Balance of Payments Division (BPD). For further information, contact Damon Battaglia, Special Surveys Branch, Balance of Payments Division via email at Damon.Battaglia@bea.gov or by phone at 202-606-9837.