

**PROPOSED CHANGES FOR THE 2017 BE-12,
BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT IN THE UNITED STATES**

The proposed changes to the benchmark survey include the addition, deletion, and modification of specific data items on the survey forms. The proposed changes are intended to minimize respondent burden while considering the needs of data users. The proposed changes to the BE-12 survey are described below. In addition, BEA plans to make improvements to question wording, instructions, and formatting to elicit more complete and correct responses and to make the survey more consistent with other BEA surveys. There will be no change to the reporting requirements (i.e., the exemption levels) of the survey from the previous benchmark survey in 2012.

I. Additions

- A. Expand sales of services breakdown on the BE-12A form to include sales of services to other U.S. affiliates of the same affiliated foreign group, sales to unaffiliated U.S. persons or entities, sales to the affiliated foreign group, sales to foreign affiliates owned by this U.S. affiliate, and sales to all other foreign persons or entities. Previously, BEA collected sales of services to U.S. persons or entities and to foreign persons or entities. This expansion will provide information on firm integration as well as insight into global value chains.
- B. Expand state-level data items on the BE-12A and BE-12B forms to include manufacturing employment; gross book value of property, plant and equipment; and the portion of the gross book value that is commercial property. BEA added these data items back to the BE-15 annual survey beginning in 2014. This information was previously collected, then discontinued for the 2012 benchmark survey, but the data are of interest to users and funding was provided to restore these data items.
- C. Add state of location to the BE-12C form, Part I. This will improve estimation of employment and property, plant, and equipment by location for smaller entities reporting on this abbreviated form.
- D. Add a question for 20-digit Legal Entity Identifier of the U.S. affiliate on the BE-12A and BE-12B forms. This additional information will assist in matching entities across databases enabling better verification of data and linking to other surveys and publicly available data for these entities.
- E. Add a question asking whether the U.S. affiliate is a publicly traded company, and if it is, collect the stock exchange on which it is listed and the ticker symbol on the BE-12A and BE-12B forms. This additional information will assist in matching entities across databases enabling better verification of data and linking to other surveys and publicly available data for these entities.
- F. Add questions separating payables, receivables, interest payments, and interest receipts by foreign parents and foreign affiliates of foreign parents (FAFPs) on the BE-12B. Previously, data for foreign parents and FAFPs were combined for these data items. This change will better align the data collected in the BE-12 benchmark survey with the BE-605 quarterly survey and assist in updating the statistics on foreign direct investment transactions, positions, and income to include the benchmark survey results.
- G. Add a Part III to BE-12C to expand information collected on foreign ownership to better align the data collected on the BE-12 benchmark survey with the BE-605 quarterly survey and assist in updating the statistics on foreign direct investment to include the benchmark survey results. Part III will include new questions on whether each parent has a direct or indirect ownership interest in the U.S. affiliate being reported, and if direct, the equity percentage of the parent's

ownership in the affiliate. Part III will also include existing questions that were in Part II of the 2012 BE-12 survey about the name and industry of each foreign parent and name, country, and industry of each ultimate beneficial owner in addition to the new questions. Part III will be preceded by a request at the end of Part II to enter the number of foreign parents and instructions to file a Part III for each foreign parent. Part III will only be completed by larger BE-12C filers (those with assets, sales, or net income greater than \$20 million).

- H. Add a private funds exemption option to the BE-12 Claim for Not Filing. This is a change to prior reporting requirements for all BEA direct investment surveys that became effective in 2017 and exempts certain private funds that were previously required to report.
- I. Add U.S. tax withheld on dividends to the BE-12B Part III to better align the data collected in the BE-12 benchmark survey with the BE-605 quarterly survey and assist in updating the statistics on foreign direct investment to include the benchmark survey results.
- J. Add intercompany debt payables and receivables to the BE-12C Part I to provide information on debt transactions of smaller affiliates which will improve the foreign direct investment statistics in the U.S. international transactions and international investment position accounts.
- K. Add questions to BE-12C to determine if U.S. affiliate has consolidated and unconsolidated affiliates. Add Supplement A (list of the U.S. business enterprises consolidated) and Supplement B (list of U.S. business enterprises not consolidated) to BE-12C. These items aid in determining whether correct entities are being consolidated, in improving coverage of indirectly-owned affiliates, and in linking data across datasets. These items are already a part of the BE-12A and BE-12B.

II. Modifications

- L. Modify instructions on BE-12B form for employment by location to explain the expanded state-level data items (see Item B in Additions). This change is consistent with the change made to the annual survey following the addition of the data items listed in Item B in Additions.
- M. Modify question 87 on the BE-12A to separate amounts reported for “change in entity” and “change in accounting methods or principles.” Add a checkbox asking if the change in accounting methods or principles is due in whole or in part to early implementation of FASB ASU No. 2016-02, Leases (Topic 842). Identifying companies that have implemented this change early may assist in assessing the impact of full implementation on BEA’s statistics.

III. Deletions

- N. Questions on contract manufacturing services will be deleted (BE-12A, items 24, 25, 26, and 27). The data collected for this item have not met the expectation for use and alternative methods are being developed to address the issue.
- O. Questions on wholesale and retail trade industry activities will be deleted (BE-12A, items 63a, 63b, and 63c). Similar information is available from other sources.
- P. Remove prior year closing balance for voting interest from BE-12C. This information is not necessary as many of the BE-12C affiliates do not file in non-benchmark years so no comparison to prior year is needed.

**2017 BE-12, Benchmark Survey of Foreign Direct Investment in the United States
Text of New or Modified Questions**

I. Additions

A. Sales of services (BE-12A)

1. Sales of services, total – Sum of items 2 through 6
2. To other U.S. affiliates of the same affiliated foreign group
3. To unaffiliated U.S. persons or entities
4. To the affiliated foreign group
5. To foreign affiliates owned by this U.S. affiliate
6. To all other foreign persons or entities

B. Expand the state-level data items (BE-12A and BE-12B)

BE-12A

Location	Number of employees at the end of FY 2017	The portion of employees in column (2) that are manufacturing employees	Gross book value (historical cost) of all land and other property, plant, and equipment wherever carried on balance sheet, FY 2017 closing balance	The portion of column (4) that is commercial property
(1)	(2)	(3)	(4)	(5)
Total				
Alabama	(this column is			
Alaska	not new)			
...				
(row for each state)				
...				
Wyoming				
District of Columbia				
U.S. offshore oil and gas sites				
Other U.S. areas				
Foreign				
Other property, plant and equipment				

BE-12B – same columns as the BE-12A, but only report the information for 5 states or 15 states depending on the size of the U.S. affiliate and whether it is majority-owned by its foreign parents (see Modifications, item N).

C. State of location (BE-12C)

In which state was the U.S. affiliate located?

If the U.S. affiliate operates in more than one state, then select the state where the greatest number of employees was based at the end of the fiscal year ending in 2017. If there were no employees and no physical location, then select the state of incorporation.

D. Legal Entity Identifier (BE-12A and BE-12B)

Does this U.S. affiliate have a Legal Entity Identifier (LEI)?

- No
- Yes. If "Yes" – Enter the 20-digit LEI of the U.S. affiliate.

The last two digits of the LEI number are computed from the first 18 and are used to check the accuracy of the LEI. Click the "Check" button above to verify the entry of the LEI provided.

E. Publicly traded company (BE-12A and BE-12B)

Is the U.S. affiliate a publicly traded company? (Answer "No" if the U.S. affiliate is not a publicly traded company, even if a foreign parent or Ultimate Beneficial Owner (UBO) is.)

- No
- Yes. If "Yes" –

What stock exchange is the U.S. affiliate listed on?
 What is the U.S. affiliate's ticker symbol?

F. Balances and interest between U.S. affiliate and affiliated foreign group (BE-12B)

What were the total short- and long-term payable balances owed by the U.S. affiliate to the affiliated foreign group, and the related interest expense?

Payable/expensed to:	TOTAL short- and long-term payables		Interest expense
	Close FY 2016	Close FY 2017	FY 2017
Foreign parent			
Foreign affiliates of the foreign parent (FAFP)			
TOTAL for affiliated foreign group (this row is not new)			

What were the total short- and long-term receivable balances owed to the U.S. affiliate by the affiliated foreign group, and the related interest income?

Receivable/income from:	TOTAL short- and long-term receivables		Interest income
	Close FY 2016	Close FY 2017	FY 2017
Foreign parent			
Foreign affiliates of the foreign parent (FAFP)			
TOTAL for affiliated foreign group	(this row is not new)		

G. BE-12C, ownership information (new questions)

1) Enter the number of foreign parents of the U.S. affiliate

PLEASE COMPLETE ONE COPY OF PART III OF THIS FORM FOR EACH FOREIGN PARENT.

2) Does the foreign parent have a direct or indirect ownership interest in the U.S. affiliate? *Mark (X) one*

A direct ownership interest in the U.S. affiliate

If a direct ownership interest in the U.S. affiliates is marked, enter the percent of equity interest owned at the close of FY 2017

An indirect ownership interest in the U.S. affiliate

H. Private funds exemption (BE-12 Claim for Exemption)

This U.S. business enterprise was identified by BEA as required to file a BE-12 survey form and all of the following 3 statements apply: 1) the U.S. business enterprise is a private fund; 2) the private fund does not own, directly or indirectly through another business enterprise, an “operating company” – i.e., a business enterprise that is not a private fund or a holding company – in which the foreign parent owns at least 10 percent of the voting interest; AND 3) if the foreign parent owns the private fund indirectly (through one or more other U.S. business enterprises), there are no U.S. “operating companies” between the foreign parent and the indirectly-owned private fund. Note: the foreign investment in the U.S. private fund may be required to be reported on Treasury International Capital (TIC) Surveys. Review reporting requirements for TIC surveys at www.treasury.gov/tic. For more information regarding private funds, visit www.bea.gov/privatefunds.

I. U.S. tax withheld on dividends (BE-12B)

What is the foreign parent’s share of U.S. tax withheld on dividends if the U.S. affiliate is incorporated, or on distributed earnings if the U.S. affiliate is unincorporated?

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J. Intercompany debt (BE-12C, Part I)

What were the short- and long-term balances owed directly to, and due directly from, the affiliated foreign group?

Do NOT net payables against receivables.

Payables owed directly TO the affiliated foreign group by the U.S. affiliate
 Receivables owed to the U.S. affiliate directly FROM the affiliated foreign group

Close FY 2017

K. Supplement A, Supplement B, and related questions (BE-12C)

U.S. business enterprises fully consolidated in this report — Enter the number of U.S. business enterprises consolidated in this report in the box below. Hereinafter they are considered to be one U.S. affiliate. If the report is for a single U.S. business enterprise, enter “1” in the box below. **Exclude from the consolidation all foreign business enterprises or operations owned by this U.S. affiliate.**

If the number is greater than one, complete the Supplement A on page X.

Supplement A

Name of U.S. business enterprise consolidated (1)	Employer identification number used to file income and payroll taxes (2)	Name of U.S. business enterprise that holds the direct ownership interest in the U.S. business enterprise listed in column 1 (3)	Percent direct voting ownership that the U.S. entity named in column 3 has in the U.S. entity named in column 1 (4)

[Respondent will complete as many rows as needed]

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

If number is not zero, complete the Supplement B on page X.

Supplement B

Name of each U.S. affiliate in which a direct interest is held but that is not listed in Supplement A (1)	Address (2)	Has affiliate been notified of obligation to file? (3)	Employer identification number used to file income and payroll taxes (4)	Percent direct voting ownership interest that the fully consolidated U.S. business enterprise named on page 1 holds in the entity named in column 1 (5)
		Yes/No		
		Yes/No		

[Respondent will complete as many rows as needed]

II. Modifications

L. Employment by location instructions modified (BE-12B, item 31)

Choose one of the following three options to complete the schedule below based on the size of the U.S. affiliate (total assets, sales or gross operating revenue, or net income (loss)) and whether it is majority or minority owned by foreign parent (s). Consider the U.S. affiliate in total, not just the foreign parent’s share of the affiliate. Mark (X) one.

- Minority-owned with size greater than \$300 million – Complete columns 3 and 5 of the schedule below for up to fifteen states.
- Minority-owned with size of \$60 million to \$300 million – Complete columns 3 and 5 of the schedule below for up to five states.
- Majority-owned with size of \$60 million to \$300 million – Complete all columns of the schedule below for up to five states.

M. Accounting changes related to leases (BE-12A, item 87)

Give amount by which the net book value in item 86 would be restated due to:

Change in entity (i.e., due to the acquisition of, or merger with, another company, or the divestiture of a subsidiary, change in fiscal year, etc.)

Change in accounting methods or principles

Is change in accounting methods due in whole or in part to early implementation of FASB ASU No. 2016-02, Leases (Topic 842)?

- Yes, in whole.
- Yes, in part.
- No.