



**2017 ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD
MANDATORY — CONFIDENTIAL
BE-11D (Report for Foreign Affiliate(s) Established or Acquired)**

Due Date: May 31, 2018

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Direct Investment Division, BE-69(A)
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Copies of form: www.bea.gov/dia

Reporter ID Number* **D**
*Do not enter Social Security in Reporter ID box

1 Name of U.S. Reporter of foreign affiliate – Same as **1**, Form BE-11A

Please include your Reporter Identification Number with all requests.

IMPORTANT

Instruction Booklet — Contains additional instructions, definitions, and detailed reporting requirements for completing this form.

Who must report — The U.S. Reporter must report each foreign affiliate **established or acquired in fiscal year 2017** for which total assets; sales or gross operating revenues, excluding sales taxes; **or** net income after provision for foreign income taxes was greater than \$25 million (positive or negative), but for which no one of these items was greater than \$60 million (positive or negative) at the end of, or for, the affiliate's 2017 fiscal year. Certain private funds are exempt from filing the Form BE-11D. Review exemption on page 2, Part II.B of the Form BE-11D Claim for Not Filing.

Foreign affiliate's 2017 fiscal year — The foreign affiliate's financial reporting year that has an ending date in calendar year 2017. See **Instruction Booklet, Part II.A.**

EXAMPLE — If the financial reporting year ended on March 31, report for the 12-month period ended March 31, 2017.

Translation of foreign currency financial and operating data into U.S. dollars — Use U.S. Generally Accepted Accounting Principles FASB ASC 830 (FAS 52). See **Instruction Booklet, Part IV.B.**

	\$	Bil.	Mil.	Thous.	Dols.
Monetary Values — Report in U.S. dollars rounded to thousands (omitting 000).					
EXAMPLE — If amount is \$1,334,891.00, report as		1	335		000

If an item is between + or - \$500.00, enter "0." Use parenthesis () to indicate negative numbers.

Percentages — Report ownership percentages to a tenth of one percent: 9 8 . 7 %

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Listing of Foreign Affiliates Established or Acquired in FY 2017

5000	Affiliate ID Number		1	Amount (Thousands of U.S. dollars)			
	0			\$	Mil.	Thous.	Dols.
Name of foreign affiliate				7			000
Country of location	2 - BEA USE ONLY	--Select Country--		Total assets			000
City of location	0			Total liabilities			000
Primary industry code	3		--Select ISI CODE--	Sales or gross operating revenues			000
Number of employees	4			Net income (loss) after foreign income tax			000
U.S. Reporter's percentage of ownership	5	Direct	6	Indirect			000
		%		%			000

5001	Affiliate ID Number		1	Amount (Thousands of U.S. dollars)			
	0			\$	Mil.	Thous.	Dols.
Name of foreign affiliate				7			000
Country of location	2 - BEA USE ONLY	--Select Country--		Total assets			000
City of location	0			Total liabilities			000
Primary industry code	3		--Select ISI CODE--	Sales or gross operating revenues			000
Number of employees	4			Net income (loss) after foreign income tax			000
U.S. Reporter's percentage of ownership	5	Direct	6	Indirect			000
		%		%			000

5002	Affiliate ID Number		1	Amount (Thousands of U.S. dollars)			
	0			\$	Mil.	Thous.	Dols.
Name of foreign affiliate				7			000
Country of location	2 - BEA USE ONLY	--Select Country--		Total assets			000
City of location	0			Total liabilities			000
Primary industry code	3		--Select ISI CODE--	Sales or gross operating revenues			000
Number of employees	4			Net income (loss) after foreign income tax			000
U.S. Reporter's percentage of ownership	5	Direct	6	Indirect			000
		%		%			000

5003	Affiliate ID Number		1	Amount (Thousands of U.S. dollars)			
	0			\$	Mil.	Thous.	Dols.
Name of foreign affiliate				7			000
Country of location	2 - BEA USE ONLY	--Select Country--		Total assets			000
City of location	0			Total liabilities			000
Primary industry code	3		--Select ISI CODE--	Sales or gross operating revenues			000
Number of employees	4			Net income (loss) after foreign income tax			000
U.S. Reporter's percentage of ownership	5	Direct	6	Indirect			000
		%		%			000

Additional foreign affiliates should be reported on additional copied sheets.

INSTRUCTIONS

Country of location — If the affiliate is engaged in petroleum shipping, other water transportation, or oil and gas drilling, and has operations spanning more than one country, use country of incorporation for country of location. For example, classify in country of incorporation an oil drilling rig that moves from country to country during the year.

Primary industry code (based on sales or gross operating revenues) — Provide the 4-digit ISI code in the industry group that accounts for the largest amount of the affiliate's sales. A list and a full explanation of the ISI codes are given in the **Guide to Industry Classifications for International Surveys, 2012**. A summary list of ISI codes is included at the back of Form BE-11B. To be considered a holding company (ISI code 5512), income from equity investments must be more than 50 percent of total income.

Number of employees — Employees on the payroll at the end of FY 2017 including part-time employees, but excluding temporary and contract employees not included on your payroll records. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of employees on the payroll at the end of FY 2017. If the number of employees at the end of FY 2017 (or when the count was taken) was unusually high or low due to temporary factors (e.g., a strike), enter the number of employees that reflects normal operations. If the number of employees fluctuates widely during the year due to seasonal business variations, report the average number of employees on the payroll during FY 2017. Base such an average on the number of employees on the payroll at the end of each pay period, month or quarter. If precise figures are not available, give your best estimate.

U.S. Reporter's Percentage of Ownership in the Foreign Affiliate: Calculation of ownership percentage — A U.S. Reporter's ownership interest in a foreign business enterprise may be directly held, indirectly held, or both. It is directly held if the U.S. Reporter

itself holds the ownership interest in the foreign business enterprise. It is indirectly held if the U.S. Reporter holds an ownership interest in another foreign business enterprise that, in turn, owns the given foreign business enterprise. The U.S. Reporter must sum all direct and indirect lines of ownership interest in the foreign business enterprise to determine its ownership interest. Note — An associated group is deemed to be one U.S. Reporter. See **Instruction Booklet, Part II.C**.

A U.S. Reporter's percentage of indirect ownership interest in a given foreign business enterprise is the product of the direct ownership percentage that the U.S. Reporter has in the first foreign business enterprise in the ownership chain, multiplied by that first enterprise's direct ownership percentage in the second enterprise in the chain, multiplied by the direct ownership percentages for all other intervening enterprises in the ownership chain, multiplied by the last intervening enterprise's direct ownership percentage in the given foreign business enterprise.

Sales or Gross Operating Revenues of Foreign Affiliate — Report gross operating revenues or gross sales minus returns, allowances, and discounts. **EXCLUDE** sales or consumption taxes levied directly on the consumer. **EXCLUDE** net value-added and excise taxes levied on manufacturers, wholesalers, and retailers.

Finance and leasing companies with ISI codes 5221, 5223, 5224, 5229, 5231, 5238, 5252, or 5331 report interest income. Insurance companies with ISI codes 5243 or 5249 report gross investment income. *Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** below.*

Holding companies (ISI code 5512) must show total income. ISI code 5512 (holding company), is an invalid primary industry code if more than 50 percent of income generated, or expected to be generated, by the affiliate is from non-holding company activities.

TECHNOLOGY

Research and development (R&D) expenditures on the BE-11D form pertains only to R&D performed by the foreign affiliate, including R&D performed by the affiliate for others (including the U.S. Reporter or its other foreign affiliates) under contract. **EXCLUDE** the cost of any R&D funded by the affiliate but performed by others, such as the affiliate's allocated share of R&D performed by the U.S. Reporter (report such R&D on Form BE-11A, **59**).

Research and development (R&D) expenditures — R&D is planned, creative work aimed at discovering new knowledge or developing new or significantly improved goods and services. This includes a) activities aimed at acquiring new knowledge or understanding without specific immediate commercial application or use (**basic research**); b) activities aimed at solving a specific problem or meeting a specific commercial objective (**applied research**); and c) systematic use of research and practical experience to produce new or significantly improved goods, services, or processes (development).

R&D **EXCLUDES** expenditures for:

- Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project
- Market research
- Efficiency surveys or management studies
- Literary, artistic, or historical projects, such as films, music, or books and other publications
- Prospecting or exploration for natural resources
- 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 that are not a part of an R&D organization.
- **INCLUDE** all costs incurred to support R&D performed by the affiliate. **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, 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.

SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL INSTRUMENTS, FINANCE COMPANIES, INSURANCE COMPANIES, AND REAL ESTATE COMPANIES

A. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies —

Sales or gross operating revenues:

INCLUDE income from explicit fees and commissions.

EXCLUDE

- Impairment losses as defined by FASB ASC 320 (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 or are taken to other comprehensive income, and
- Goodwill impairment as defined by FASB ASC 350 (FAS 142).

B. Real estate companies —

Sales or gross operating revenues:

INCLUDE the revenues earned from the sale of real estate you own. Do not net the expenses against the revenues.

EXCLUDE

- Impairment losses as defined by FASB ASC 360 (FAS 144), and
- Goodwill impairment as defined by FASB ASC 350 (FAS 142).

C. Insurance companies —

Assets:

1. When there is a difference between the financial and operating data reported to the stockholders and the data reported in the annual statement to an insurance department, prepare the BE-11 on the same basis as the annual report to the stockholders.

Valuation should be according to normal commercial accounting procedures, not at rates promulgated by national insurance departments, e.g., **INCLUDE** assets not acceptable for inclusion in the annual statement to an insurance department, such as:

1. non-trusted or free account assets, and 2. nonadmitted assets, including furniture and equipment, agents' debit balances, and all receivables deemed to be collectible.

2. Do not **INCLUDE** assets of the U.S. Reporter held in the country of location of the affiliate and that are for the benefit of the U.S. Reporter's policyholders in the data reported for the affiliate.

Sales or gross operating revenues:

INCLUDE items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature.

EXCLUDE

- Income from equity investments in unconsolidated business enterprises, and
- Certain gains (losses).

Calculate premiums earned by companies engaged in insurance activities 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.