

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Benchmark Survey of Financial Services Transactions between
U.S. Financial Services Providers and Foreign Persons (Form BE-180)
OMB Control Number: 0608-0062

Abstract

The BE-180, Benchmark Survey of Financial Services Transactions between U.S. Financial Services Providers and Foreign Persons, will obtain annual data on financial services transactions between U.S. and foreign persons. The data collected on the BE-180 survey, conducted once every five years, are needed to measure the universe of U.S. trade in financial services and to analyze the impact of U.S. trade on the U.S. and foreign economies. The data are used to support U.S. trade policy initiatives, including trade negotiations, and to compile the U.S. international transactions accounts (ITAs) and the national income and product accounts (NIPAs). The survey is authorized by the International Investment and Trade in Services Survey Act, and Section 5408 of the Omnibus Trade and Competitiveness Act of 1988.

A. Justification

1. Explain the circumstances that make the collection of information necessary.

The data collected on the BE-180 Benchmark Survey of Financial Services Transactions between U.S. Financial Services Providers and Foreign Persons are needed to monitor U.S. trade in financial services, to analyze the impact of these cross-border services on the U.S. and foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, to conduct trade promotion, and to improve the ability of U.S. businesses to identify and evaluate market opportunities. The data are used in estimating the trade in financial services component of the U.S. international transactions accounts (ITAs) and national income and product accounts (NIPAs). The ITAs are used extensively by both government and private organizations for national and international economic policy support and for analytical purposes. The services transactions accounts are contained within the current account of the ITAs and are divided into several major components. The financial services transactions covered by this survey accounted for 18 percent of U.S. exports and 9 percent of U.S. imports of services in 2023.

The survey is mandatory and is conducted under the International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101-08, as amended), hereinafter “the Act,” and Section 5408 of the Omnibus Trade and Competitiveness Act of 1988. The implementing regulations for the international services surveys conducted under the Act can be found in 15 CFR Part 801. These data are not available from any other source.

2. Indicate how, by whom, and for what purpose the information is to be used.

The BE-180 benchmark survey will be required of any U.S. person who had transactions with foreign persons in any of the eleven covered categories below during the 2024 fiscal year: 1) brokerage services related to equity transactions; 2) brokerage services related to debt

transactions; 3) other brokerage services; 4) underwriting and private placement services related to equity transactions; 5) underwriting and private placement services related to debt transactions; 6) financial management services; 7) credit-related services, except credit card services; 8) credit card services; 9) financial advisory services; 10) financial custody services; 11) securities lending services; 12) electronic funds transfer services; and 13) other financial services. A response is required from U.S. persons subject to the reporting requirements of the BE-180, whether or not they are contacted by BEA, to ensure complete coverage of transactions in financial services between U.S. and foreign persons. For U.S. persons that had combined transactions that were \$3 million or less, in the financial services categories covered by the survey for fiscal year 2024, a completed benchmark will include totals for each type of transaction in which they engaged. A U.S. person whose combined transactions with foreign persons exceeded \$3 million in the financial services categories covered by the survey for fiscal year 2024, is required to provide data on the total transactions of each of the covered types of financial services transactions and must disaggregate the totals by country and by relationship to the foreign counterparty (foreign affiliate, foreign parent group, or unaffiliated).

The benchmark survey data, covering U.S. persons' cross border transactions in financial services with foreign persons, will be collected on survey forms that can be completed and submitted electronically, mailed, faxed, or sent by secure message to BEA. The information collected on the survey will be used by BEA to produce economic statistics on international trade in financial services. For each country and region, BEA will estimate cross-border transactions in the financial services transactions covered by the survey. The benchmark collection of data is a periodic survey, conducted every fifth year, for years ending in "4" and "9." The reporting requirements and data items provided by respondents has changed over time to reflect changes in the types of services that are bought and sold internationally and to meet the needs of data users. The survey covers U.S. persons (comprised mainly of major U.S. corporations) above a size-exemption level. A U.S. person means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), resident in the United States or subject to the jurisdiction of the United States.

Some specific uses of the data to be collected are discussed in greater detail below.

(a) Compile and improve the U.S. economic accounts:

Data from the BE-180 survey will be used by BEA to estimate the universe of financial services components of the U.S. ITAs with detailed information by country, region, type of service, and affiliation of the transactors. The resulting statistics are also used in the NIPAs and the Input-Output Accounts produced by BEA. These are general use economic statistics that most world economies produce. BEA follows international standards for producing the statistics so that they are internationally comparable, accurately measure new and evolving types of services, and meet user needs.

The survey is a benchmark survey of all U.S. persons with transactions in any of the covered services, during the 2024 fiscal year, and therefore is intended to cover the universe of U.S. cross border trade in financial services. Similar data are also reported on a sample survey, the

BE-185, Quarterly Survey of Financial Services Transactions between U.S. Financial Services Providers and Foreign Persons, by larger reporters subject to reporting on an ongoing basis.

(b) Support U.S. government policy on services trade:

Data from the survey are needed to monitor U.S. trade in financial services, to analyze the impact on the U.S. economy and on foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, and to conduct trade promotion.

The data are used by several U.S. government agencies including the Office of the U.S. Trade Representative, the International Trade Administration of the Commerce Department, the Departments of Treasury and State, the U.S. International Trade Commission, the Council of Economic Advisers, and the Federal Reserve Board to support U.S. international economic policy. The data also help identify areas where U.S. trade in services may be restricted.

The United States is a signatory to regional and multilateral commercial agreements that cover trade in services. The data from this and related surveys provide information that can be used both during negotiations and as an aid in monitoring resulting agreements. For example, trade in services is covered both by the General Agreement on Trade in Services, which is the principal World Trade Organization agreement on trade in services, and by the United States-Mexico-Canada Agreement.

(c) Other government uses:

Several agencies, including the U.S. Commercial Service (Commerce Department), facilitate U.S. trade by providing information and assistance to businesses. They use data from the benchmark survey for this purpose. They also use the data to examine the impact of trade in services on developing countries.

(d) Non-government uses:

International organizations and private researchers also use data from the benchmark survey in assessing the impact of U.S. trade in services on the U.S. and foreign economies. International organizations that regularly make use of BEA data on U.S. trade in services include the United Nations, International Monetary Fund, World Trade Organization, Organisation for Economic Co-operation and Development, and World Bank. Numerous private researchers use the data including academics through the Federal Statistical Research Data Center network.

U.S. businesses use the information to identify and evaluate market opportunities.

The Information Quality Guidelines of the Office of Management and Budget (OMB) apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure that the quality of the data is high before the final estimates are released. The data are collected and reviewed according to documented procedures, best practice

standards, and on-going review by the appropriate supervisor. The quality of the data is validated using a battery of edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information comply with all applicable information quality guidelines, i.e., those of OMB, the Department of Commerce, and BEA.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

BEA offers electronic filing through its eFile system for use in reporting the BE-180 benchmark survey form. The eFile system enables respondents to download the survey forms in PDF format, enter the required data, and submit the forms securely to BEA. BEA utilizes a secure messaging system, accessible through the eFile system, to ensure the confidentiality of correspondence with BE-180 respondents.

In addition, BEA provides links to all its survey forms and reporting instructions on its website (www.bea.gov). Survey forms may be downloaded, printed, and submitted via secure message, fax, or mail.

4. Describe efforts to identify duplication.

Data on U.S. international financial services transactions by service type, country, and affiliation are available only from surveys conducted by BEA.

The Census Bureau conducts economic surveys of establishments in services industries and includes on those surveys broad questions pertaining to revenues derived from sales to foreign persons. While these surveys do not identify the type of service or the country of the foreign customer, both of which are required by the ITAs, BEA has used information reported on Census Surveys to expand the mailing lists for several of its surveys.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

A BE-180 survey will be required of any U.S. person who had transactions with foreign persons in any of the thirteen covered categories during the 2024 fiscal year. For U.S. persons that had combined transactions that were \$3 million or less, in the financial services categories covered by the survey for fiscal year 2024, a completed benchmark will include totals for each type of transaction in which they engaged. A U.S. person whose combined transactions with foreign persons exceeded \$3 million in the financial services categories covered by the survey for fiscal year 2024, is required to provide data on the total transactions of each of the covered types of financial services transactions and must disaggregate the totals by country and by relationship to the foreign counterparty (foreign affiliate, foreign parent group, or unaffiliated).

To reduce reporting burden, respondents may provide estimates of their transactions with foreign persons where precise data cannot be obtained without undue burden. Respondents

with smaller transactions are required to submit less data, and the data they are required to provide is collected at an aggregate level for each transaction type rather than by country and affiliation. The higher level of detail is required of only the larger reporters.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The data are needed to monitor U.S. international trade in financial services, especially in the current economic environment, when such trade is changing rapidly in size, variety, and complexity. The quality and accuracy of the ITAs and NIPAs, which are quarterly accounts, rely on conducting quarterly, and periodic benchmark surveys. In addition to quarterly and benchmark estimates, monthly estimates must be derived from these data for inclusion in the joint BEA-Census Bureau monthly news release on trade in goods and services. The quality of the monthly estimates would be diminished if the data were collected less frequently.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;**
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- requiring respondents to submit more than an original and two copies of any document;**
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

No aspects of the Benchmark Survey of Financial Services Transactions between U.S. Financial Services Providers and Foreign Persons require a special justification.

Respondents are required to report information to BEA once every five years. Survey responses are due the end of July, for survey years ending in “4” and “9”. Respondents will be required to submit a single copy of their survey form to BEA by the due date. A copy of their submission should be retained for their records for three years. The information collected in the survey will be used by BEA to produce economic statistics on international trade in financial services, representing the universe of cross-border transactions in the financial services covered by the survey. The survey collects an industry classification code for each respondent. These codes are based on the North American Industry Classification System (NAICS), which has been reviewed and approved by OMB, and is used by numerous

Government statistical agencies. The Act requires that survey data submitted to BEA is **confidential** and may be used only for analytical or statistical purposes, and without prior written permission, the information filed **cannot** be presented in a manner that allows it to be individually identified; it **cannot** be used for purposes of taxation, investigation, or regulation. Respondents are not required to submit proprietary trade secrets, or other confidential information, beyond the information collected in the survey.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

This submission supports a public request for comments published in the *Federal Register* April 29, 2024 (Vol. 89, page 33,315 – 33,317). No public comments were received.

BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau’s Source Data Improvement and Evaluation Program, to ensure that, to the extent possible, the required data serve their intended purposes, that the survey instructions are clear, and that unreasonable burdens are not imposed.

In recent years, BEA has solicited input from its data users, including other government agencies, through a series of site visits and webinars. During these presentations, BEA staff presented an overview of potential changes to the services data collected and published by BEA, including proposals to expand upon the existing services categories. These presentations also provided an opportunity for data users to suggest other services-related data that are of particular interest. From these consultations, BEA developed a list of changes to the services data collected on this and other BEA surveys.

BEA also engaged with staff from the Data Collection Methodology and Research Branch (DCMRB) in the Economic Statistical Methods Division (ESMD) of the U.S. Census Bureau to undertake a cognitive review of the BE-125 survey and the BE-120 benchmark survey (administered as a “census” survey and required of all reporters with transactions in the covered services). In consultation with BEA, DCMRB developed a comprehensive survey methodology research plan to prepare for a revised data collection instrument. The plan activities, which aligned with best practices in survey development and pretesting, included an expert review of BEA services surveys forms, respondent debriefings, and multiple rounds of cognitive interviews consisting of approximately 30 in-person interviews with survey respondents. Census staff prepared findings and recommendation reports that summarized the results of the expert reviews and cognitive interviews. BEA also used this information to aide in the redesign of other branch survey, including the BE-180 and BE-185 surveys.

For the current proposed survey changes, detailed in section A.15 below, BEA consulted a sample of nine current quarterly BE-185 survey respondents regarding the modifications. BEA sent these reporters a letter summarizing the plans for the survey and provided them an opportunity to comment regarding the feasibility of these adjustments. BEA did not receive

any comments on the proposed changes, and thus, believes the changes will have little impact on most respondents.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts to the respondents will be made.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

BEA provides respondents with assurance that it will keep the reported data confidential. The following statement is taken directly from the reporting instructions for the survey:

“**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. Per the Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through security monitoring of the BEA information systems.”

Sec. 5(c) of the Act (22 U.S.C. 3104) provides that the information collected can be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are confidential, and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person, where the information supplied is identifiable as being derived from the records of such customer.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are asked.

12. Provide estimates of the hour burden of the collection of information.

The benchmark survey is expected to result in the filing of approximately 6,000 reports for the 2024 reporting year. BEA expects approximately 4,500 to be filed with mandatory data and 1,500 exemption claims and voluntary responses. The average burden for completing the

survey is 11 hours for the 2,000 respondents filing data by country and affiliation; 2 hours for the 2,500 respondents filing data by transaction type only, and 1 hour for the 1,500 filing an exemption claim or voluntary response, resulting in an overall estimated annual respondent burden of 28,500 hours. Burden estimates are summarized in the table below.

Type of Respondent	# of Respondents (a)	Annual # of Responses per Respondent (b)	Total # of Annual Responses (c) = (a) x (b)	Average Burden Hours per Response (d)	Total Annual Burden Hours (e) = (c) x (d)
Mandatory Data by Country and Affiliation	2,000	1	2,000	11	22,000
Mandatory Data, Totals by Transaction	2,500	1	2,500	2	5,000
Exemption or voluntary	1,500	1	1,500	1	1,500
Total	6,000		6,000		28,500

This estimate covers the amount of time for respondents to review the instructions, search existing data sources, gather and maintain the data needed, and complete and review the information collection. Respondent burden is estimated based on the estimated burden in the current BE-180 survey and other BEA surveys, feedback from respondents, and on changes proposed to the form. Most of the information requested on the survey is readily available in existing company accounting and financial records. In proposing changes to the survey, BEA analyzes the impact on existing companies by reviewing their reported transaction categories, and the volume of detail provided by respondents within the categories being considered for modification. This information, in conjunction with communication between BEA and respondents regarding their existing accounting and financial records, serves as a basis for estimating the impact of planned survey modifications. In proposing the current changes, as discussed in section A.8. above, BEA contacted a sample of current quarterly reporters to provide an opportunity for them to comment on the proposals. BEA did not receive any comments on the proposed changes, and thus, believes the changes will have little impact on most respondents. However, the actual burden will vary from respondent to respondent depending on the number and amounts of their transactions and the ease of assembling the data.

The estimated cost to respondents is \$1,188,450 based on an estimated reporting burden of 28,500 hours and estimated hourly cost of \$41.70 for employees in the accounting and auditing field, who represent the type of employee typically completing BEA surveys. The hourly cost reflects the median hourly wage of accountants and auditors from the Bureau of Labor Statistics' May 2022 Occupational Employment Statistics, that were released in April 2023. A summary of the estimated average burden cost per respondent and response type, is provided in the table below.

Type of Respondent	Total Annual Burden Hours (a)	Hourly Wage Rate* (b)	Total Burden Costs (c) = (a) x (b)
Mandatory Data by Country and Affiliation	22,000	\$41.70	\$917,400
Mandatory Data, Totals by Transaction	5,000	\$41.70	\$208,500
Exemption	1,500	\$41.70	\$62,550
Total	28,500		\$1,188,450

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

Other than respondent cost associated with the estimated burden of 28,500 hours (see A.12 above), the total additional annual cost burden to respondents is expected to be negligible. Total capital and start-up costs are insignificant because new technology or capital equipment will not be needed by respondents to prepare their responses to the survey. The total cost of operating and maintaining the technology and capital equipment will, therefore, also be insignificant. Purchases of services to complete the information collection are also expected to be insignificant.

14. Provide estimates of annualized cost to the Federal government.

The annual project cost to the Federal Government for this survey is estimated at \$820,000, which consists of \$776,500 for salaries and related overhead and \$43,500 for equipment, supplies, form design, printing, mailing, and computer processing.

15. Explain the reasons for any program changes or adjustments reported.

This request is for a renewal with changes of an expired collection (the previous approval by OMB, in June 2018, can be viewed at www.reginfo.gov by searching OMB control number 0608-0062 under the Information Collection Review tab).

Currently, there are no burden hours for the 2024 BE-180 benchmark survey in the inventory maintained by OMB. Therefore, the estimated burden of 28,500 hours (see A.12 above) for this periodic collection is shown entirely as a program change in the ROCIS. For the 2019 survey, the estimated burden was 29,375 hours. The decrease results from an overall decrease in the estimated number of reporters completing the survey and a change in the estimated distribution of reporters completing the survey with full country and affiliation detail and those providing totals by transaction type only. There has been no change in the agency estimate of the average time to complete the survey. As detailed below, it is estimated that the changes will have no material impact on the average filing burden due to the fact that the

additional detail requested can be easily obtained from company records or reported based on recall by someone familiar with the operations of the company.

The Bureau of Economic Analysis (BEA) is proposing modifications to the information reported on the survey. The proposed modifications to the BE-180 survey will allow BEA further align BEA's statistics with international guidelines and to collect additional information that can be used to improve the current estimation methodologies for published financial services transactions, increasing the quality and usefulness of BEA's statistics on trade in financial services.

BEA proposes to:

- 1) Add a question on employment size class. This information will be required of all survey respondents to aid in identifying the number of small businesses reporting on the survey, and the volume of services trade data reported by small businesses. These questions will help BEA's broader effort to develop statistics to better track the economic health and contributions on the nation's small businesses.
- 2) Add a question to collect information on the largest states, districts, or territories (up to three) for exports and imports of services. This information will be required of all survey respondents and will allow BEA to produce estimates of the value of exports and imports of services by U.S. state for the first time.
- 3) Modify the remote services schedules (C and D) from 2019 to better capture trade in digitally delivered services. This will improve BEA's estimates of U.S. trade in information and communications technology (ICT) and potentially ICT-enabled services.

BEA will also align BE-180 transaction categories to incorporate two minor modifications made to the BE-185 survey beginning with 2021 reporting, collecting brokerage services in the three separate categories of: 1) equity, 2) debt, and 3) other, and financial advisory and custody services in two distinct categories for 1) advisory, and 2) custody services. BEA also plans to eliminate question 15, asking if the U.S. Reporter had cryptocurrency-related transactions. This item is no longer necessary for BEA's effort to measure financial services transactions associated with crypto-currency.

BEA estimates there will be no material impact on the average filing burden. Proposals one and two should not affect burden because BEA believes this data to be readily available in reporter records, or can be provided by many respondents based on recall, without the need to search existing records. Additionally, proposal three is a minor modification to data already previously collected on the 2019 BE-180 benchmark survey. The codes being aligned with transaction categories on the BE-185 survey will have no material impact on burden because reporters are already reporting in these categories on the BE-185 survey or have data readily available (those companies only subject to filing in a benchmark year) since the requirement was aggregate reporting on the previous BE-180 filing.

The language in the instructions and definitions will be reviewed and adjusted as necessary to clarify survey requirements. The reporting thresholds of the current BE-180 survey will be retained. The effort to keep current reporting thresholds unchanged is intended to minimize respondent burden while considering the needs of data users.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The data from this survey will be used to estimate trade in financial services transactions by major world region and selected countries for the quarterly U.S. ITAs and for a more detailed annual tabulation of U.S. trade in services. These estimates will be published on BEA's website (*www.bea.gov*). The data will also be used to provide the basis for the estimates of transactions in financial services in monthly estimates of international services transactions, which are included in a joint BEA-Census Bureau news release on U.S. trade in goods and services.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB expiration date will be displayed on the forms.

18. Explain each exception to the certification statement.

The BE-180 information collection is consistent with the certification in all aspects. The agency certifies compliance with 5 CFR 1320.9 and the related provisions of 5 CFR 1320.8(b)(3).