OMB NO. 0608-0053: APPROVAL EXPIRES 11/30/2024
U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

2023 ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD INSTRUCTIONS

The Annual Survey of U.S. Direct Investment Abroad is conducted to secure current economic data on the operations of U.S. parent companies and their foreign affiliates. Reports filed in this survey should be consistent with those filed in the 2022 BE-11 Annual Survey of U.S. Direct Investment Abroad in regard to concepts and definitions, accounting methods, affiliate and reporter consolidations, etc. However, filing this report is not contingent upon having filed a 2022 BE-11.

Electronic filing option (eFile) – Forms that can be transmitted to BEA electronically will be available on the BEA Web site: **www.bea.gov/efile**. If you eFile, please do not submit paper reports.

I. REPORTING REQUIREMENTS

A response is required from persons (as defined in subsection 801.2(c) of 15 C.F.R. pt. 801) subject to the reporting requirements of the BE-11 survey. Persons contacted by BEA concerning their being subject to reporting, either by sending them a report form or by written inquiry, must respond pursuant to section 801.3 of 15 C.F.R. pt. 801 and instructions accompanying a report form. This may be accomplished by submitting by May 31, 2024: **1)** a completed "BE-11 Claim for Not Filing" or certifying in writing that they had no direct investment within the purview of the reporting requirements of the BE-11 survey; or **2)** a properly completed BE-11 report, as required.

Penalties – Whoever fails to report shall be subject to a civil penalty and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined 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). These civil penalties are subject to inflationary adjustments. Those adjustments are found in 15 C.F.R. 6.3.

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, 0608-0053, appears at the top of each form.

Forms comprising a BE-11 report are:

- **Form BE-11A –** Report for U.S. Reporter;
- **Form BE-11B –** Report for each majority-owned foreign affiliate of U.S. Reporter with assets, sales, or net income greater than $60 million (positive or negative);
- **Form BE-11C –** Report for each minority-owned foreign affiliate of U.S. Reporter with assets, sales, or net income greater than $60 million (positive or negative);
- **Form BE-11D –** Report for foreign affiliate(s) established or acquired by the U.S. Reporter with assets, sales, or net income greater than $25 million, but not greater than $60 million (positive or negative);
- **BE-11 Claim for Not Filing**

See I.B.2.d. and *I.C.* for an exception to this filing requirement.

For definition of terms, see Section II of these instructions.

A. Who must report – A BE-11 report is required of any U.S. person that had a foreign affiliate at the end of the U.S. person's 2023 fiscal year that is not exempt as detailed in *I.C. on page 4 of the Instruction Booklet*.

B. Forms for U.S. Reporter and foreign affiliates

1. Form BE-11A – Report for U.S. Reporter

a. Basic requirements – Form BE-11A must cover the fully consolidated U.S. domestic business enterprise (banking and nonbanking). See *I.B.1.b* for the definition of "fully consolidated U.S. domestic business enterprise."

The U.S. Reporter must file a complete Form BE-11A if **any one** of the following three items of the fully consolidated U.S. **domestic** business enterprise was greater than $300 million (positive or negative) at the end of, or for, the Reporter's 2023 fiscal year:

(1) total assets,

(2) sales or gross operating revenues excluding sales taxes, or

(3) net income after provision for U.S. income taxes.

The U.S. Reporter must complete only items 1 through 30 and items 60 through 62 of Form BE-11A if **no one** of the three items listed above for the fully consolidated U.S. **domestic** business enterprise was greater than $300 million (positive or negative) at the end of, or for, the Reporter's 2023 fiscal year.

The U.S. Reporter, whether filing a complete or partial BE-11A, must also complete a Form BE-11B, BE-11C or BE-11D, as appropriate, for **each** nonexempt foreign affiliate. See *I.B.2 and I.C.*

b. Definition of "fully consolidated U.S. domestic business enterprise" – The fully consolidated U.S. domestic business enterprise is defined as: **1)** the U.S. business enterprise whose voting securities are not owned more than 50 percent by another U.S. business enterprise, and **2)** proceeding down each ownership chain from that U.S. business enterprise, any U.S. business enterprise (including Foreign Sales Corporations located in the United States) whose voting securities are more than 50 percent owned by the U.S. business enterprise above it. **This consolidation excludes foreign branches and all other foreign affiliates.**

c. 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 a foreign business enterprise.

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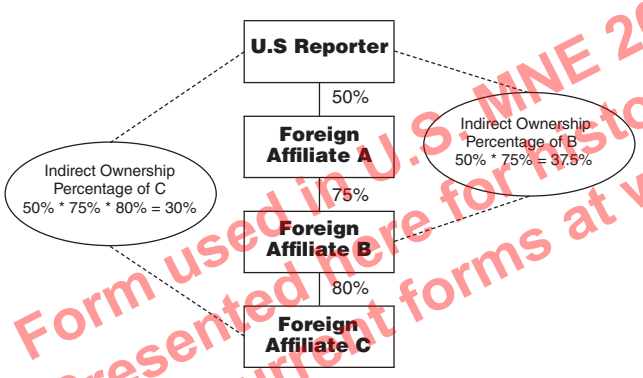
It is indirectly held if, for example, the U.S. Reporter holds an ownership interest in another foreign business enterprise that, in turn, owns the given foreign business enterprise. The U.S. Reporter must sum all direct and indirect lines of ownership interest in the foreign business enterprise to determine whether it holds a foreign business enterprise to the extent of 10 percent or more, directly or indirectly. **Note –** An associated group is deemed to be one U.S. Reporter. *See II.C. for the definition of an associated group.*

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. To illustrate, assume the U.S. Reporter owned 50 percent of foreign business enterprise A directly, and that A owned 75 percent of foreign business enterprise B which, in turn, owned 80 percent of foreign business enterprise C. Then the U.S. Reporter's percentage of indirect ownership of B would be 37.5 percent (the product of the first two percentages), its indirect ownership of C would be 30 percent (the product of all three percentages), and B and C (as well as A) would be considered foreign affiliates of the U.S. Reporter.



d. Other requirements for filing Form BE-11A

(1) Foreign affiliate is owned by only part of the fully consolidated U.S. domestic business enterprise – The U.S. Reporter is deemed to be the fully consolidated U.S. domestic business enterprise even if only one entity in the consolidated U.S. enterprise directly owns the foreign affiliate.

(2) U.S. Reporter that is an individual, estate, trust, or nonprofit organization – A U.S. Reporter that is an individual, estate, trust, or religious, charitable, or other nonprofit organization, and that owns a foreign affiliate directly, rather than through a U.S. business enterprise, should complete only items 1 and 5 of Form BE-11A. Required Forms BE-11B, BE-11C, and/or BE-11D must be filed as appropriate.

(3) **U.S. business enterprise owned by an individual, estate, trust, or nonprofit organization –** If a U.S. individual, estate, trust, or nonprofit organization owns more than 50 percent of a U.S. business enterprise that, in turn, owns a foreign affiliate, then the U.S. Reporter is deemed to be the U.S. business enterprise, not the individual, etc. The BE-11 report should be filed by, and Form BE-11A should be for, the U.S. business enterprise, not the individual, etc. However, direct financial transactions or positions, if any, by the individual, etc., with the foreign affiliate must be included in the business enterprise's report.

(4) **U.S. Reporter owned by a foreign person** *(See II.J)* – A U.S. Reporter that is a U.S. affiliate of a foreign person and that is filing a BE-15A, 2023 Annual Survey of Foreign Direct Investment in the United States should only complete items 1–7 and 34–37 of Form BE-11A. If the U.S. Reporter is filing a BE-15B, or BE-15C, in lieu of the BE-15A, it should complete the entire Form BE-11A. *See also III.B.*

(5) **Joint ownership of foreign affiliate –** If two or more U.S. Reporters jointly own, directly or indirectly , a foreign affiliate, each U.S. Reporter must file a Form BE-11A.

2. Forms BE-11B, BE-11C, and BE-11D – Report for foreign affiliates. The coverage of the forms is summarized in the chart below.

Ownership / U.S. Dollar Amount	**MAJORITY-**OWNED FOREIGN AFFILIATE > 50%	**MINORITY-**OWNED FOREIGN AFFILIATE ≥ 10% and ≤ 50%
At least one of the three items* is greater than $300 million (+ or -).	BE-11B, except Part III	BE-11C
At least one of the three items* is greater than $60 million (+ or -), but no one is greater than $300 million (+ or -).	BE-11B, except Part IV	
Foreign affiliate established or acquired during fiscal year 2023 and at least one of the three items* is greater than $25 million (+ or -) but no one item is greater than $60 million (+ or -).	BE-11D	

* Total assets, sales or gross operating revenues excluding sales taxes, and net income (loss) after provision for foreign income taxes of the foreign affiliate.

Exception – A Form BE-11B or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another non-exempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt.

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Note – Unless otherwise stated, whenever reference is made to the financial or operating data of a foreign affiliate, such as assets, sales, or net income (loss), the data are to represent 100 percent of the foreign affiliate's operations and not just the portion, if less than 100 percent, owned by the U.S. Reporter(s). Also, include equity investment in unconsolidated foreign affiliates and do not eliminate an affiliate's receivables due from its parent or from other affiliated persons from the affiliate's total assets when applying the exemption criteria for this report.

a. Basic requirement for Form BE-11B – A BE-11B must be filed for each majority-owned foreign affiliate, whether held directly or indirectly, for which **any one** of the following three items was greater than $60 million (positive or negative) at the end of, or for, the affiliate's 2023 fiscal year:

(1) total assets,

(2) sales or gross operating revenues excluding sales taxes,

or

(3) net income (loss) after provision for foreign income taxes.

Affiliates with assets, sales, or net income greater than $300 million, positive or negative, are required to report more information on the form than smaller affiliates.

b. Basic requirement for Form BE-11C – A BE-11C must be filed for each minority-owned foreign affiliate owned directly or indirectly, at least 10 percent, but not more than 50 percent, by all U.S. Reporters of the affiliate combined, for which **any one** of the three items listed in *I.B.2.a.* above was greater than $60 million (positive or negative), at the end of, or for, the affiliate's 2023 fiscal year.

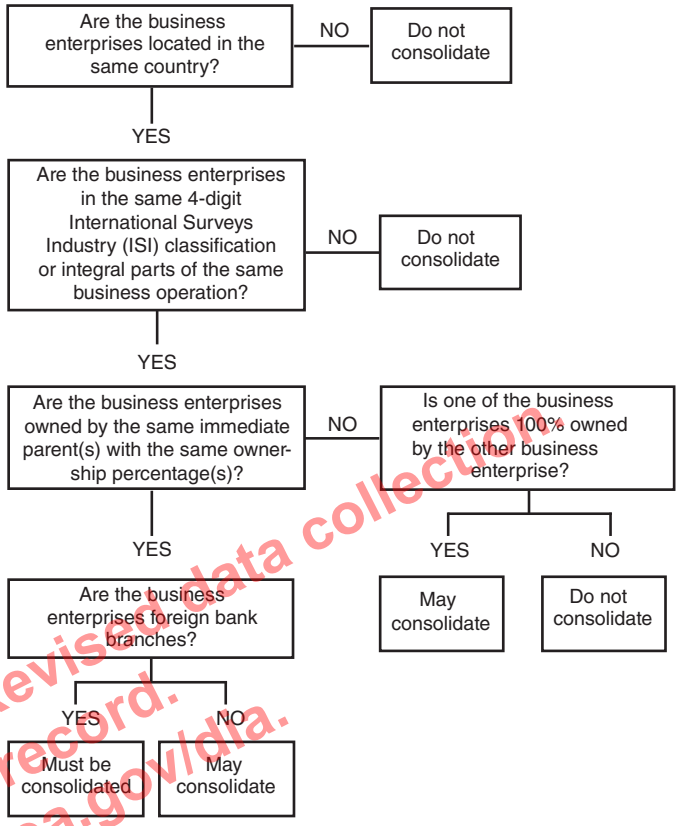
c. Basic requirement for Form BE-11D – A BE-11D must be filed for foreign affiliates of the U.S. Reporter, established or acquired in 2023, whether held directly or indirectly, for which **any one** of the three items listed in *I.B.2.a.* above was greater than $25 million (positive or negative) but for which no one of these items was greater than $60 million (positive or negative) at the end of, or for, the affiliate's 2023 fiscal year.

d. Exception to the basic requirement - A BE-11B or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another non-exempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt.

e. Other requirements for filing Forms BE-11B, BE-11C, or BE-11D –

(1) Rules for consolidation of foreign affiliate – A U.S. Reporter who participates in BEA's BE-577 Quarterly Survey of U.S. Direct Investment Abroad, Direct Transactions of a U.S. Reporter with Foreign Affiliate, should consolidate foreign business enterprises on Forms BE-11B, BE-11C and BE-11D in the same manner as on Form BE-577.

The following rules should be used in determining which foreign business enterprises may be consolidated into one foreign affiliate form:



Note – Foreign business enterprises that have an equity investment in an unconsolidated business enterprise should report that investment using the equity method of accounting. See also *IV.C.*

(2) Reporting of foreign affiliates owned by more than one U.S. Reporter – If the foreign affiliate is owned directly and/or indirectly, through another foreign affiliate, by more than one U.S. Reporter, the U.S. Reporter with the highest percentage of ownership in the foreign affiliate (direct and indirect combined) must file a **complete** Form BE-11B on which all Parts have been completed. The other U.S. Reporter(s) with total direct and indirect ownership of 10 percent or more must file a **partial** form.

If no one of the U.S. Reporters owns a greater share of the foreign affiliate than the other U.S. Reporter(s), then the U.S. Reporters must decide which one will file the complete Form BE-11B and which one(s) will file a partial Form BE-11B.

A partial form consists of:

- BE-11B Part I, items 1–17 and Part V.

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The U.S. Reporter filing a **complete** BE-11B for a foreign affiliate owned by more than one U.S. Reporter should note that data must be reported by transactor. If the U.S. Reporter filing the complete BE-11B cannot, or prefers not to, obtain from the affiliate data about the other U.S. Reporter(s) of the affiliate, then each U.S. Reporter is required to report its own data.

If two or more Reporters jointly own a foreign affiliate that is required to be reported on Form BE-11C, only the U.S. Reporter having the highest percentage ownership (direct and indirect combined) in the foreign affiliate must file the form.

(3) Reporting when there is more than one foreign affiliate in a chain of ownership – A Form BE-11B or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another nonexempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt, i.e., a Form BE-11B or BE-11C must be filed for all affiliates upward in a chain of ownership.

(4) Relationship between Form BE-11A and Forms BE-11B, BE-11C, and BE-11D – The term "U.S. Reporter" is defined to mean the fully consolidated U.S. domestic business enterprise; therefore, on Forms BE-11B, BE-11C, and BE-11D, when data on trade and financial relationships between the U.S. Reporter and the foreign affiliate are requested, the data must reflect the foreign affiliate's relationship with the entire U.S. enterprise, not merely with one division, operating unit, or part.

C. Exempt affiliates – A foreign affiliate is exempt from being reported if **none** of its exemption level items exceeds $60 million (positive or negative) and it is not required to be filed on Form BE-11D. *See I.B.2.c.*

However, a form BE-11B or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another nonexempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt. That is, all affiliates upward in the chain of ownership must be reported.

An affiliate's receivable due from its parent or from other affiliated persons should not be eliminated from total assets when applying the exemption criteria for preparing this report.

If you filed a form for an affiliate in 2022 that is exempt in 2023 and for which BEA identified as required to file or is listed in the eFile system as required, then complete Part II of the "Claim for Not Filing" and on page 3 provide the required information. If **all** of your affiliates are exempt in 2023, complete Part I of a "Claim for Not Filing."

A foreign affiliate can also be exempt if **ALL** of the following apply: 1) the foreign affiliate is a private fund, **AND** 2) the private fund foreign affiliate 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 consolidated U.S. Reporter owns at least 10 percent of the voting interest, **AND** 3) If the U.S. Reporter owns the private fund indirectly (through one or more other business enterprises), there are no "operating companies" between the consolidated U.S. Reporter and the indirectly-owned foreign private fund. For more information regarding private funds visit **www.bea.gov/privatefunds**.

II. DEFINITIONS

A. 2023 fiscal year is the U.S. Reporter's or the foreign affiliate's financial reporting year that has an ending date in calendar year 2023. U.S. Reporters or affiliates having a "52/53 week" fiscal year that ended within the first week of January 2024, are considered to have a 2023 fiscal year for purposes of filing this survey, and should report December 31, 2023 as their 2023 fiscal year end. A business enterprise that does not have a financial reporting year, or does not have a financial reporting year *ending* in calendar year 2023, is deemed to have a fiscal year identical to calendar year 2023.

Change in fiscal year

1. New fiscal year ends in calendar year 2023 – A U.S. Reporter that changed the ending date of its financial reporting year should file a 2023 BE-11 report that covers the 12 month period prior to the new fiscal year end date. The following example illustrates the reporting requirements.

Example 1: The U.S. Reporter had a June 30, 2022 fiscal year end date but changed its 2023 fiscal year end date to March 31. The U.S. Reporter should file a 2023 BE-11 report covering the 12 month period from April 1, 2022 to March 31, 2023.

The ending balance sheet amounts reported must be the correct balances as of March 31, 2023.

2. No fiscal year ending in calendar year 2023 – If a change in fiscal year results in the U.S. Reporter not having a fiscal year that ended in calendar year 2023, the U.S. Reporter **should file a 2023 BE-11 report that covers 12 months.** The following example illustrates the reporting requirements.

Example 2: The U.S. Reporter had a December 31, 2022 fiscal year end date but changed its next fiscal year end date to March 31. Instead of having a short fiscal year ending in 2023, the U.S. Reporter decides to have a 15 month fiscal year running from January 1, 2023 to March 31, 2024. The U.S. Reporter should file a 2023 BE-11 report covering a 12 month period ending in calendar year 2023, such as the period from April 1, 2022 to March 31, 2023.

In this example, the ending balance sheet amounts reported must be the correct balances as of March 31, 2023.

For 2024, assuming no further changes in the fiscal year end date occur, the U.S. Reporter should file a BE-11 report covering the 12 month period from April 1, 2023 to March 31, 2024.

B. 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 stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

C. 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. Each of 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, or
4. a corporation and its domestic subsidiaries.

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D. 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, savings and loans, savings banks, bank holding companies, and financial holding companies under the Gramm-Leach-Bliley Act.

Banks located on U.S. Military bases abroad servicing base personnel are not considered "foreign" and should not be reported on Form BE-11B, BE-11C, or BE-11D.

Activities of subsidiaries of a bank or bank holding company that may not be banks but provide support to the bank parent company, such as real estate subsidiaries set up to hold the office buildings occupied by the bank parent company, are considered bank activities.

E. Branch means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.

F. 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.

G. 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.

H. Foreign affiliate means an affiliate located outside the United States in which a U.S. person has direct investment. *See II.S.*

I. Foreign affiliate parent means a U.S. Reporter's foreign affiliate which has an equity interest in another foreign affiliate of the U.S. Reporter.

J. Foreign person *(See II.Q.)* means any person resident outside the United States or subject to the jurisdiction of a country other than the United States. *See III.D.*

K. Fully consolidated U.S. domestic business enterprise means:

1. the U.S. business enterprise whose voting securities are not owned more than 50 percent by another U.S. business enterprise, and
2. proceeding down each ownership chain from that U.S. business enterprise, any U.S. business enterprise (including Foreign Sales Corporations located in the United States) whose voting securities are more than 50 percent owned by the U.S. business enterprise above it. This consolidation excludes foreign branches and all other foreign affiliates.

Note – A U.S. Reporter that is not a bank but owns a majority interest in a U.S. bank must consolidate its banking activities when filing its Form BE-11A.

L. Intercompany means between a U.S. Reporter and its foreign affiliates.

M. Intermediary means an agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.

N. 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. Report leases in accordance with FASB ASC 842.

O. Majority-owned foreign affiliate means a foreign affiliate in which the combined direct and indirect ownership interest of ALL U.S. REPORTERS of the affiliate exceeds 50 percent.

P. Minority-owned foreign affiliate means a foreign affiliate in which the combined direct and indirect ownership interest of at least one U.S. Reporter is 10 percent or more, but the combined direct and indirect ownership interests of all U.S. Reporters of the affiliate is 50 percent or less.

Q. Person (as the term is used in the broad legal sense) means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any state), and any government (including a foreign government, the United States Government, a state or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).

R. Private Fund refers to the same class of financial entities that must report to the Securities and Exchange Commission as private funds on Form PF: "any issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of … [that] Act."

S. U.S. direct investment abroad means the ownership or control, **directly or indirectly** through a foreign affiliate, by one U.S. person of 10 percent or more of the voting securities of an incorporated foreign business enterprise or an equivalent interest in an unincorporated foreign business enterprise, including a branch.

T. U.S. person means any person resident in the United States or subject to the jurisdiction of the United States. *See III.D.*

U. U.S. Reporter means the U.S. person that has direct investment in a foreign business enterprise, including a branch. The U.S. Reporter is the fully consolidated U.S. domestic enterprise. *See II.K.*

V. 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.

III. CLARIFICATION OF COVERAGE

A. Determining existence of a foreign affiliate – In general, a U.S. person's foreign operation or activity is considered a foreign affiliate if it is legally or functionally separable from the domestic operations or activities of the U.S. person. In most cases, it is clear whether the foreign operation or activity constitutes an affiliate. For example, if the operation or activity is incorporated abroad – as most are – it is always considered a foreign affiliate. Even if it is unincorporated, the foreign operation or activity is usually legally or functionally separable from the U.S. person's domestic operations or activities. In cases where it is not clearly separable, the determination of whether the operation or activity constitutes a foreign affiliate is made on a case-by-case basis, depending on the weight of the evidence.

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The following characteristics would indicate that an operation or activity **is** a foreign affiliate:

1. it pays foreign income taxes,
2. it has a substantial physical presence abroad, as evidenced by plant and equipment, or employees permanently located abroad,
3. it has separate financial records that would allow preparation of financial statements, including a balance sheet and income statement. (A mere record of disbursements to, or receipts from, the foreign operation or activity would not constitute a "financial statement" for this purpose.), **or**
4. it takes title to the goods it sells and receives revenues from the sale, or it receives funds from customers for its own account for services it performs.

The following characteristics would indicate that an operation or activity is probably **not** a foreign affiliate:

1. it engages only in sales promotion or public relations activities on behalf of the U.S. person,
2. it conducts business abroad only for the U.S. person's account, not for its own account,
3. it has no separate financial records that allow the preparation of financial statements,
4. its expenses are paid by the U.S. parent,
5. it is not subject to foreign income taxes, and
6. it has limited physical assets or few employees permanently located abroad.

B. U.S. Reporter owned by a foreign person – A U.S. business enterprise that is a U.S. Reporter in this BE-11 survey may also be a U.S. affiliate of a foreign person that must report in the BE-15, 2023 Annual Survey of Foreign Direct Investment in the United States. This could be the case if the U.S. business enterprise owns foreign affiliates and is also owned 10 percent or more, directly or indirectly, by a foreign person. In such cases, the U.S. business enterprise should report in this survey for any foreign business enterprise it owns or controls, directly or indirectly, at least 10 percent or more, but should not report other property of its foreign owner. (A foreign business enterprise that is jointly owned by the U.S. Reporter and the foreign owner of the U.S. Reporter should be considered a foreign affiliate of the U.S. Reporter provided the U.S. Reporter has a 10 percent or more ownership interest.) **For purposes of the BE-11 survey, consider the foreign owner of the U.S. Reporter and the directly and indirectly owned foreign affiliates of the foreign owner (other than those held through the U.S. Reporter), as unaffiliated foreign persons.** *See also I.B.1.d.(4).*

C. Partnerships – Most partnerships are either general or limited partnerships. The determination of percentage of voting interest in a general or 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.

A **general partnership** usually consists of at least two general partners who together control the 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.

A **limited partnership** usually consists of at least one general partner and one limited partner. The general partner usually controls a limited partnership, and therefore has 100 percent voting interest in the limited partnership. Limited partners do not normally exercise any control over a 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 partnership.

Note – Cross-border holdings of limited partnerships are included in the annual Department of Treasury International Capital (TIC) securities data reports (TIC SHL(A), TIC SHA(A), and TIC SLT) and purchases and sales of limited partnerships with foreign counterparties should be included on the TIC S report.

D. Determining country of residence or jurisdiction of individuals – An individual is considered a resident of, and subject to the jurisdiction of, the country in which it is physically located, subject to the following qualifications:

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. There are two exceptions to this rule:
   a. individuals (and their immediate families) who either own or are employed by a business in their country of citizenship and who are residing outside of that country for one year or more in order to conduct business for the enterprise are considered residents of their country of citizenship if they intend to return within a reasonable period of time.
   b. individuals who reside outside their country of citizenship because they are government employees (such as diplomats, consular officials, members of the armed forces, and their immediate families) are considered residents of their country of citizenship regardless of their length of stay.

E. Foreign affiliate operating completely outside its country of incorporation – If a foreign affiliate conducts all its operations from, and is located in, a single foreign country that is different from its country of incorporation, it is deemed to be operating totally outside its country of incorporation. File a single BE-11B, BE-11C report or report on the BE-11D, for the entity in the country of operation treating it as an incorporated foreign affiliate; do not file for the entity in the foreign country of incorporation. If, however, the foreign affiliate has any of the following in the country of incorporation:

1. bank account,
2. employees,
3. property, plant, or equipment, or
4. sales,

it is considered to have operations in its foreign country of incorporation and, therefore, a separate report must be filed for the entity in that country.

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If a foreign affiliate incorporated abroad conducts its operations from, and has locations in, more than one foreign country, a separate Form BE-11B, BE-11C, or entry on BE-11D must be filed for each foreign country in which it has operations, and a separate Form BE-11B, BE-11C, or entry on BE-11D must be filed for the entity in the foreign country of incorporation, treating the entity as an incorporated foreign affiliate in that country.

If a foreign affiliate incorporated abroad conducts its business operations from, and is located in, the United States, you must file a Form BE-11B, BE-11C or BE-11D entry to report the equity investment in the affiliate and the affiliate's income. Show country of incorporation as country of location **and report the affiliate as a holding company (ISI code 5512).** You must report the operating business enterprise located in the United States on the BE-15, 2023 Annual Survey of Foreign Direct Investment in the United States.

F. Agencies and representative offices – Foreign representative offices, agents and employees of a U.S. person are not considered to be foreign affiliates, and therefore, they should not be reported on Forms BE-11B, BE-11C or BE-11D. However, a U.S. Reporter's disbursements to maintain foreign sales and representative offices must be reported on Form BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons. Copies of Form BE-125 are available by writing to BEA at: Bureau of Economic Analysis, Balance of Payments Division, BE-50 (SSB), 4600 Silver Hill Rd., Washington, DC 20233, by telephoning (301) 278-9507or by accessing the BEA Web site at **www.bea.gov**. (Select "Tools", select "eFile", and then select applicable form within "Survey Resources and Contact Information.") A foreign presence of a U.S. person is considered a foreign sales promotion or representative office if:

1. it has no assets (other than office furniture) held either in its own name or in the name of the U.S. person,
2. to the extent that its employees are compensated by commissions, the commissions arise only from sales or business that the employees generate for the U.S. person,
3. it does not produce revenue (other than funds from the U.S. person to cover its expenses), and
4. it is engaged only in sales promotion, representational activities, public relations activities, or the gathering of market information, on behalf of the U.S. person.

Note – A foreign presence that produces revenue for its own account (instead of, or in addition to, producing revenue for the account of its U.S. parent) from goods or services it provides to unaffiliated persons is considered a foreign affiliate and is subject to the reporting requirements on this BE-11 survey.

G. Real estate – The ownership of foreign real estate is defined to be a business enterprise and, if foreign real estate is owned by a U.S. person, it is a foreign affiliate of a U.S. Reporter. A Form BE-11B, BE-11C or BE-11D is required unless the enterprise is otherwise exempt.

Real estate that is normally included in the property, plant, and equipment account of a foreign affiliate is not to be reported as a separate affiliate.

Residential real estate held exclusively by a U.S. person for personal use and not for profit-making purposes is not subject to the reporting requirements. A primary residence abroad that is leased to others while the owner is a U.S. resident, but which the owner intends to reoccupy, is considered real estate held for personal use.

Ownership of foreign residential real estate by a business enterprise, the sole purpose of which is to hold the real estate for the personal use of the owner(s) of the business enterprise, is considered to be real estate held for personal use and therefore not subject to the reporting requirements.

If a U.S. 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 U.S. person's share, is a foreign affiliate and must be reported unless otherwise exempt.

H. Airlines and ship operators – U.S. airlines' and ship operators' foreign stations, ticket offices, and terminal and port facilities that provide services **only** to their own operations are not foreign affiliates and are not subject to the reporting requirements. Reports are required when such facilities produce significant revenues from services provided to unaffiliated persons.

I. Estates, trusts, and intermediaries

1. A U.S. estate is a person *(see II.Q.)* and, therefore, may have direct investment; the estate, not the beneficiary, is considered to be the U.S. Reporter. Thus, ownership of a foreign affiliate by a U.S. estate shall be reported by the administrator, executor, etc., of the estate and not by the beneficiary.
2. A trust, either U.S. or foreign, is a person *(see II.Q.)*, but is not a business enterprise. The trust is considered to be the same as an intermediary, and should report as outlined in *III.I.3.* 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 has evolved out of a prior trust), for the purposes of determining the existence and reporting of direct investment.

   This procedure is adopted to fulfill 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).

   Note – 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).

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3. Intermediary

a. If a particular U.S. direct investment abroad is held, exercised, administered, or managed by a U.S. intermediary, such intermediary is responsible for reporting the required information for, and in the name of, its principal or shall instruct the principal to submit the required information. Upon instructing the principal, the intermediary shall be released from further liability to report, provided it has informed BEA of the date such instructions were given and the name and address of the principal, and has supplied the principal with any information in the possession of, or which can be secured by, the intermediary that is necessary to permit the principal to complete the required reports. When acting in the capacity of an intermediary, the accounts or transactions of the U.S. intermediary with the foreign affiliate are considered as accounts or transactions of the U.S. principal with the foreign affiliate. To the extent such transactions or accounts are unavailable to the principal, they may be required to be reported by the intermediary.

b. If a U.S. person holds a foreign affiliate through a foreign intermediary, the U.S. person is considered to own the foreign affiliate directly and all accounts or transactions of the U.S. person with the intermediary are considered to be with the foreign affiliate.

IV. GENERAL INSTRUCTIONS

A. Accounting methods and records – Follow generally accepted U.S. accounting principles unless otherwise specified in the instructions. Corporations should generally use the same methods and records that are used to generate reports to stockholders, except where otherwise instructed. Generate reports for unincorporated persons on an equivalent basis.

Financial Accounting Standards Board Accounting Standards Codification Topics are referred to as "FASB ASC" in the instructions.

B. Translation of foreign currency financial and operating data into U.S. dollars

1. Financial statements – Translate foreign affiliate financial statements, i.e., balance sheets and income statements, not maintained in U.S. dollars from the host country currency to U.S. dollars using FASB ASC 830 (FAS 52), as would be required to incorporate foreign statements into the U.S. Reporter's financial statements for reports to shareholders.

2. Other financial and operating data of foreign affiliate – According to FASB ASC 830 (FAS 52), "Revenue and expense transactions shall be translated in a manner that produces approximately the same dollar amounts that would have resulted had the underlying transactions been translated into dollars on the dates they occurred."

Since separate translation of each transaction is usually impractical, the specific result can be achieved by using an average rate for the period.

On Forms BE-11B and BE-11C, certain revenue and expense transactions that may not be translated separately for the financial statements, such as employee compensation and exports and imports, must be reported. Translate these transactions in a manner consistent with that used to translate the financial statements into U.S. dollars.

C. Method of accounting for equity investments – Forms BE-11B, BE-11C and BE-11D – Report a foreign affiliate parent's equity investments of 20 percent or more in unconsolidated foreign affiliates, including all unconsolidated majority-owned foreign affiliates, using the equity method of accounting. Report equity investments owned less than 20 percent at fair value, or your normal reporting practice, in accordance with FASB ASC 321. *See important note on foreign affiliate consolidation rules under instruction I.B.2.e.*

Note – If it is determined that there is a material difference between the "equity" and the "cost" methods and the data should have been filed using the "equity" method, BEA will require that the data be refiled.

D. Industry classification – A list and explanation of the industry classifications used are given in the **Guide to Industry Classifications for International Surveys, 2017**, (BE-799), which is available at **www.bea.gov/naics2017**.

E. Estimates – If actual data are not available, or only partial data are available, provide estimates and label as such. When data items cannot be fully subdivided as required, provide totals and an estimated breakdown of the totals.

Certain sections of Forms BE-11A and BE-11B require data that may not be maintained in your customary accounting records. Providing precise data in these areas may require substantial burden beyond what is intended by BEA. This may be especially true for:

- **BE-11A, Part III, Section B** – Distribution of sales or gross operating revenues by whether the sales were goods, services, or investment income;
- **BE-11A, Part IV,** – Exports and imports of the U.S. Reporter on a shipped basis;
- **BE-11B, Part III, Section B, and Part IV, Section D** – Distribution of sales or gross operating revenues, by transactor and by whether the sales were goods, services, or investment income;
- **BE-11B, Part V** – Exports and imports of the foreign affiliate on a shipped basis.

Data provided 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. Consistently apply estimating procedures used on all BEA surveys.

F. Space on form insufficient – When space on a form is insufficient to permit a full answer to any item, submit the required information on supplementary sheets, appropriately labeled and referenced to the item number and the form.

G. Specify – When asked to "specify" amounts reported for certain data items, give the type and dollar amount of the major items included in the data item.

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V. U.S. EXPORTS AND IMPORTS OF GOODS

When there is a material difference between the "charged" and "shipped" bases and the data have not been filed on the "shipped" basis, or the necessary adjustments have not been made to approximate a "shipped" basis, then BEA will require the data to be refiled.

Differences between the "charged" and "shipped" bases may be substantial. A major difference arises when the U.S. Reporter buys goods in country A and sells them in country B, but the goods are shipped directly from country A to 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. Reporter records the transactions on its books, it shows a purchase charged to it from country A and a sale charged by it to country B. If the U.S. Reporter'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 a U.S. export, respectively. Other differences arise when the U.S. Reporter charges the sale of its products to a foreign affiliate in one country, but ships the goods directly from the United States to an unaffiliated foreigner in another country. If the data are on the "shipped" basis, this transaction constitutes a U.S. export to an unaffiliated foreigner, not to the foreign affiliate and should not be recorded on the form for the foreign affiliate.

If a material difference exists between the "charged" and "shipped" bases, trade must be reported on the "shipped" basis. To do this, the U.S. Reporter may have to derive the data from export and import declarations filed with U.S. Customs and Border Protection or from shipping and receiving documents, rather than from accounting records, or may have to otherwise adjust its data from a "charged" to a "shipped" basis.

A. Timing. Only include goods actually shipped between the United States and the affiliate during FY 2023 regardless of when the goods were charged or consigned. For example, include goods shipped by the U.S. Reporter to the affiliate in FY 2023 that were charged or consigned in FY 2024 but exclude goods shipped to the affiliate in FY 2022 that were charged or consigned to the affiliate in FY 2023.

B. Trade of the U.S. Reporter. Goods shipped by, or to, the U.S. Reporter, whether or not actually charged or consigned by, or to, the U.S. Reporter, are considered to be trade of the U.S. Reporter.

C. Trade of a foreign affiliate. Goods shipped by, or to, a foreign affiliate, whether or not actually charged or consigned by, or to, the foreign affiliate are considered to be trade of the foreign affiliate.

D. By (or to) whom goods were shipped. Shipment by, or to, an entity refers to the physical movement of goods 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. Reporter charges goods to a German affiliate but ships them to an Italian affiliate, the goods should be recorded as U.S. exports shipped by the U.S. Reporter on the Form BE-11B or BE-11C, of the Italian affiliate, but not on that of the German affiliate. Similarly, if goods were charged by the U.S. Reporter to an affiliate but shipped to the affiliate by another U.S. person, the goods should be considered a U.S. export shipped by "other U.S. persons," not by the U.S. Reporter, on the affiliate's Form BE-11B or BE-11C.

Note – Goods shipped by an independent carrier or a freight forwarder at the expense of an entity are shipments by that entity.

E. Valuation of exports and imports. Value U.S. exports and imports f.a.s. (free alongside ship) at the port of exportation. This includes 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 costs, and inland freight and insurance. It excludes 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.

VI. FILING THE BE-11

A. Due date – A fully completed and certified BE-11 report comprising Form BE-11A and Forms BE-11B, BE-11C or BE-11D (as required) is due to be filed with BEA by May 31, 2024.

B. Extensions – For the timely dissemination of the survey results, it is important that your report be filed by the due date. However, a written request for an extension will be considered provided it is received no later than the original due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such requests.

C. Assistance – For assistance, telephone (301) 278-9418 or e-mail BEA at **be10/11@bea.gov**.

NOTE: BEA uses a Secure Messaging System to correspond with you via encrypted message to discuss questions relating to this form. We may use your e-mail address for survey-related announcements and to inform you about secure messages. When communicating with BEA by e-mail, please do not include any confidential business or personal information. This includes your Social Security Number which should never be provided to BEA via any method of transmission.

D. Retention of copies – Each U.S. Reporter must retain a copy of its report to facilitate resolution of problems. These copies should be retained by the U.S. Reporter for at least 3 years after the report's original due date.

E. Electronic filing option (eFile) – Forms that can be transmitted to BEA electronically will be available on the BEA Web site: **www.bea.gov/efile**. If you eFile, please do not submit paper reports.

F. Where to send the report – Send reports filed by mail through the U.S. Postal Service to:

Bureau of Economic Analysis
Direct Investment Division, BE-69(A)
4600 Silver Hill Road
Washington, DC 20233

Send reports filed by direct private delivery to:

Bureau of Economic Analysis
Direct Investment Division, BE-69(A)
4600 Silver Hill Road
Suitland, MD 20746

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G. Confidentiality – The information filed in this report may 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 the 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 (22 U.S.C. 3104). Per the Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through security monitoring of the BEA information systems.

H. Annual stockholders' report – Business enterprises issuing annual reports to stockholders should furnish copies of these reports for FY 2023 when filing the BE-11 report.

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