

TAX MATTERS

RECENT NEWS ON TAX ISSUES IN THE
UNITED STATES OF AMERICA

BUREAU OF ECONOMIC ANALYSIS INVESTMENT SURVEYS - REPORTING REQUIREMENTS



The surveys below are for U.S. persons owning entities in a foreign country.

	SURVEY	FORM	DESCRIPTION	WHO MUST FILE
I.	Quarterly Survey of U.S. Direct Investment Abroad	BE-577	<p>This form is filed for:</p> <p>1) each <u>directly owned foreign affiliate</u> that has total assets, annual sales or gross operating revenues excluding sales taxes, or annual net income after paying foreign income taxes of more than \$60 million (positive or negative) at any time during the affiliate’s fiscal reporting year, <u>and</u></p> <p>2) each <u>indirectly owned foreign affiliate</u> that meets the \$60 million threshold and that has an intercompany debt balance with the U.S. reporter that exceeds \$1 million.</p>	Only entities contacted directly by BEA must file.
		BE-577 Certificate of Exemption	<p>This section of the BE-577 form is filed if a foreign affiliate meets the following criteria for exemption:</p> <p>1) The foreign affiliate’s total assets, annual sales or gross operating revenues, and annual net income (not just the U.S. reporter’s share) were equal to or less than \$60 million (positive or negative) for the most recent financial reporting year.</p> <p>2) The U.S. ownership in the foreign affiliate is held indirectly and neither the foreign affiliate’s end-of-quarter payables to the U.S. reporter nor the foreign affiliate’s end-of-quarter receivables from the U.S. reporter exceeded \$1 million.</p>	Only entities contacted directly by BEA must file. This section would be completed if contacted but the entity does not meet the reporting threshold.
II.	Annual Survey of U.S. Direct Investment Abroad (5 parts)	BE-11	<p>The purpose of the annual survey is to report annual financial and operating data of the U.S. reporter and its foreign affiliates.</p> <p>This survey has five forms. A U.S. reporter must file on a fully consolidated U.S. domestic business enterprise basis and for each of its foreign affiliates, whether they are held directly or indirectly. The U.S. reporter is required to report for each foreign affiliate; however, the U.S. reporter may file a consolidated report for affiliates in the same country when they are in the same detailed industry or when they are integral parts of the same business operation. A complete filing is one and only one BE-11A and one or more BE-11B, C, or D forms.</p>	Only entities contacted directly by BEA must file.
		BE-11A	This form is filed for the fully consolidated U.S. domestic business enterprise of a U.S. reporter that has a reportable foreign affiliate.	Only entities contacted directly by BEA must file.
		BE-11B	This form is filed for a majority-owned (combined direct or indirect voting ownership interests (or the equivalent) of the U.S. parent exceed 50 percent) foreign affiliate that has total assets, sales or gross operating revenues, or net income of more than \$60 million (positive or negative). If the affiliate is a foreign affiliate parent of another foreign	Only entities contacted directly by BEA must file.

			affiliate that is being reported on Form BE-11B or BE-11C, then this form must be filed for the foreign affiliate parent even if total assets, sales or gross operating revenues, or net income did not exceed \$60 million (positive or negative).	
		BE-11C	This form is filed for a minority-owned (combined direct or indirect voting ownership interests (or the equivalent) of the U.S. parent are at least 10 percent, but not more than 50 percent) foreign affiliate that has total assets, sales or gross operating revenues, or net income of more than \$60 million (positive or negative). If the affiliate is a foreign affiliate parent of another foreign affiliate being reported on Form BE-11C, then this form must be filed for the foreign affiliate parent even if the total assets, sales or gross operating revenues, or net income do not exceed \$60 million (positive or negative).	Only entities contacted directly by BEA must file.
		BE-11D	This form is filed for a foreign affiliate established or acquired during the fiscal year that has total assets, sales or gross operating revenues, or net income of more than \$25 million (positive or negative) but less than \$60 million (positive or negative) at the end of the affiliate's fiscal year.	Only entities contacted directly by BEA must file.
		BE-11 Claim for Exemption	<p>This form is filed if a U.S. person meets any of the following criteria:</p> <p>The U.S. person does not own or control, directly or indirectly, 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 or real estate held for other than personal use.)</p> <p>None of the U.S. reporter's foreign affiliates are required to be reported on Form BE-11B, BE-11C, or BE-11D because all affiliates are exempt or because the U.S. reporter is fully consolidated in the report of another U.S. person.</p> <p>After the initial filing, this form is not required to be filed annually unless BEA contacts the U.S. business enterprise that is exempt from filing.</p>	Only entities contacted directly by BEA must file. This form would be completed if contacted but the entity does not meet the reporting threshold.
III.	Benchmark Survey of U.S. Direct Investment Abroad	BE-10	<p>The BE-10 survey is BEA's most comprehensive survey of U.S. direct investment abroad. It is conducted every 5 years (in lieu of the BE-11 annual survey). The most recent benchmark survey covered the fiscal year ending in 2014.</p> <p>This survey has five forms. A U.S. reporter must file on a fully consolidated U.S. domestic business enterprise basis and for each of its foreign affiliates, whether they are held directly or indirectly. The U.S. reporter is required to report for each foreign affiliate; however, the U.S. reporter may file a consolidated report for affiliates in the same country when they are in the same detailed industry or when they are integral parts of the same business operation. A</p>	<u>Required from entities subject to the reporting requirements of the BE-10, whether or not contacted by BEA.</u>

			<p>complete filing is one and only one BE-10A and one or more BE-10B, C, or D forms.</p> <p><i>Please note there are special rules for determining who is a resident individual as defined on page 5 of the Form BE-10 instructions.</i></p>	
		BE-10A	This form is filed for the fully consolidated U.S. domestic business enterprise of a U.S. reporter that has a reportable foreign affiliate.	May be Required
		BE-10B	This form is filed for majority-owned foreign affiliates of a U.S. parent that have assets, sales, or net income of more than \$80 million (positive or negative).	May be Required
		BE-10C	<p>This form is filed for minority-owned foreign affiliates and for majority-owned foreign affiliates of U.S. parents that have assets, sales, or net income of more than \$25 million (positive or negative) but less than \$80 million (positive or negative).</p> <p>It is also filed for foreign affiliates that have assets, sales, or net income of \$25 million or less (positive or negative) and that are foreign affiliate parents of other foreign affiliates that are filing forms BE-10B or BE-10C.</p>	May be Required
		BE-10D	This form is filed for foreign affiliates that have assets, sales, or net income of less than \$25 million (positive or negative) and that are not foreign affiliate parents of other foreign affiliates that are being reported on form BE-10B or form BE-10C.	May be Required
		BE-10 Claim for Not Filing	<p>This form is filed if a U.S. person meets ANY the following criteria:</p> <ol style="list-style-type: none"> 1) The U.S. person does not own or control, directly or indirectly, 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 or real estate held for other than personal use.) 2) The U.S. person that owns or controls, directly or indirectly, 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 or real estate held for other than personal use), but this person is a citizen of a foreign country who is residing in the U.S. as a result of official employment by a foreign government (including the immediate family of the person) or who has been, or expects to be, residing in the United States for less than 1 year, or who is fully consolidated in the report of another U.S. person. 	<p>A U.S. person that does not meet the filing requirements must still file Form BE-10 “Claim for Not Filing” if it <i>has been contacted</i> by the BEA about filing Form BE-10; otherwise a U.S. person is not required to file any BE-10 form.</p>

If you have any questions, please contact your Rödl & Partner representative.

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