

TRANSACTIONS OF U.S. CORPORATION WITH FOREIGN PARENT

MANDATORY CONFIDENTIAL QUARTERLY REPORT

This report is required by law - Section 5(b)(2), P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104. Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both.

RETURN TO U.S. Department of Commerce Bureau of Economic Analysis BE-50(IN) Washington, D.C. 20230

NOTE: If item 6 is marked, only items 13 thru 22 should be completed (to report direct transactions of the U.S. Affiliate with the foreign parent) and Parts VII and VIII, as applicable.

IMPORTANT: This report covers items received from, paid to, or entered into intercompany accounts with the foreign parent. Report items according to books of U.S. affiliate. Read instructions before completing this form. REPORT ALL AMOUNTS IN THOUSANDS OF U.S. DOLLARS.

I. IDENTIFICATION
1. Report for quarter ending (MONTH, DAY, YEAR)
2. Name and address of U.S. affiliate
3. Name of foreign parent of U.S. affiliate
4. Country of foreign parent of U.S. affiliate
5. Only a direct equity interest in the U.S. affiliate
6. Only an indirect equity interest in the U.S. affiliate
7. Both a direct and an indirect equity interest in the U.S. affiliate
8. If either 6 or 7 is marked, give name of the U.S. affiliate which is directly foreign owned and which has a direct or indirect ownership interest in the U.S. affiliate identified in 2 above.
9. If U.S. affiliate's industry classification has changed, mark here

II. PAYMENTS TO AND RECEIPTS FROM FOREIGN PARENT BY U.S. AFFILIATE (AS CONSOLIDATED) OF DIVIDENDS, INTEREST, FEES AND ROYALTIES AND RENTALS. REPORT ALL DIRECT TRANSACTIONS WITH THE FOREIGN PARENT IDENTIFIED IN ITEM 3. REPORT ITEMS 13 THROUGH 16 AFTER ANY TAX WITHHELD.
10. Dividends on common and preferred stock excluding stock dividends - gross amount
11. Tax withheld on dividends
12. Dividends on common and preferred stock - net amount (Item 10 less Item 11)
13. Interest, including interest on capital (financial) leases
14. Royalties, license fees, and other fees for the use or sale of intangible property
15. Charges for use of tangible property, and charges for film and television tape rentals
16. Fees for services rendered, including fees for management, professional, or technical services, R&D assessments, and allocated expenses

Table with columns: Payments by U.S. Affiliate, Receipts by U.S. Affiliate. Rows 10-16.

V. CHANGE DURING THE QUARTER IN FOREIGN PARENT'S EQUITY IN U.S. AFFILIATE'S CAPITAL STOCK AND/OR ADDITIONAL PAID-IN CAPITAL, AT TRANSACTION VALUE
26. Establishment of U.S. affiliate
27. From this U.S. affiliate
28. From other U.S. persons
29. From foreign persons
30. Capital contributions not resulting in issuance of capital stock. Report return of such contributions in parentheses ( ).
31. Distribution in liquidation of U.S. affiliate
32. To this U.S. affiliate
33. To other U.S. persons
34. To foreign persons
35. Stock dividends
36. Other change in capital not included above - Specify
37. Exceeds the value carried on the books of the U.S. affiliate
38. Is less than the value carried on the books of the U.S. affiliate

III. DEBT AND OTHER INTERCOMPANY ACCOUNT BALANCES BETWEEN THE U.S. AFFILIATE AND THE FOREIGN PARENT. Report all Direct Transactions with the Foreign Parent Identified in Item 3.
Current Items
17. Owed to foreign parent by U.S. affiliate
18. Due to U.S. affiliate from foreign parent
Long-term Items
19. Owed to foreign parent by U.S. affiliate
20. Due to U.S. affiliate from foreign parent
Net book value of property, plant, and equipment on lease and not reflected in Items 17-20 above:
21. On lease from foreign parent to U.S. affiliate
22. On lease by U.S. affiliate to foreign parent

Table with columns: End of quarter, Beginning of quarter. Rows 17-22.

VI. FOREIGN PARENT'S SHARE IN ANNUAL INCOME AND EQUITY POSITION OF THE U.S. AFFILIATE - COMPLETE ONCE A YEAR
39. U.S. affiliate's calendar (or fiscal) year ending
40. Foreign parent's percentage of ownership of U.S. affiliate's voting stock at end of year. Enter to tenth of one percent
41. Foreign parent's equity in U.S. affiliate's annual net income (loss) after provision for U.S. income taxes
42. Total investment - sum of Items 43 thru 45
43. Common and preferred stock and additional paid-in capital of U.S. affiliate
44. Retained earnings - compute on the equity basis consistent with Items 23 and 41
45. Other equity accounts - Specify

IV. FOREIGN PARENT'S EQUITY IN U.S. AFFILIATE'S:
23. Quarterly net income (loss) after provision for U.S. income taxes - foreign parent's share only
24. Net unrealized and realized capital gains (losses) for the quarter, foreign parent's share only:
24. Included in Item 23
25. Taken directly to retained earnings or surplus account

Table with columns: Current quarter, Preceding quarter. Rows 23-25.

VII. 46. Does the U.S. affiliate (as consolidated) have direct transactions or accounts with foreign affiliates of the foreign parent identified in item 3? Mark one:
46 1 Yes (If Yes, complete page 2 of this Form)
2 No

PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT
Name and Address for Mailing Purposes
TELEPHONE
Area code, Number, Extension

CERTIFICATION
The U.S. affiliate, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.
Authorized official's signature, Title, Date

**VIII. DIRECT TRANSACTIONS OR ACCOUNTS BETWEEN U.S. AFFILIATE AND FOREIGN AFFILIATES OF THE FOREIGN PARENT**

Do not include any direct financial transactions between U.S. affiliate and the foreign parent which are already included in Parts II and III of page one. Do not net out payables and receivables into one of the sections below. A U.S. affiliate which is a bank should have entries in this Part only if it has long-term liabilities to a foreign affiliate of the foreign parent and that capital is considered to be permanent investment capital in the U.S. affiliate. In this case, the affiliate would complete Section A, columns H and J, and if interest is paid on the debt, column C. **REPORT ALL AMOUNTS IN THOUSANDS OF U.S. DOLLARS.**

Country of Foreign Affiliate of Foreign Parent (A)	COMMERCE USE ONLY (B)	Interest, including interest on capital (financial) leases (C)	Royalties, license fees, and other fees for the use or sale of intangible property (D)	Charges for use of tangible property and charges for film and T.V. tape rentals (E)	Fees for services rendered, including fees for management, professional, or technical services, R&D assessments, and allocated expenses (F)	End of Quarter Balance		Beginning of Quarter Balance	
						Current (G)	Long-term (H)	Current (I)	Long-term (J)
<b>A.</b>		Payments or Accruals to Foreign Affiliates of the Foreign Parent (net of tax withheld)				Liabilities of U.S. Affiliates to Foreign Affiliates of the Foreign Parent			
	1	2	3	4	5	6	7	8	9
0 48	1	2	3	4	5	6	7	8	9
49	1	2	3	4	5	6	7	8	9
50	1	2	3	4	5	6	7	8	9
51	1	2	3	4	5	6	7	8	9
52	1	2	3	4	5	6	7	8	9
53	1	2	3	4	5	6	7	8	9
54	1	2	3	4	5	6	7	8	9
55	1	2	3	4	5	6	7	8	9
56	1	2	3	4	5	6	7	8	9
57	1	2	3	4	5	6	7	8	9
58	1	2	3	4	5	6	7	8	9
59	1	2	3	4	5	6	7	8	9
60	1	2	3	4	5	6	7	8	9
<b>TOTAL ALL COUNTRIES (SECTION A)</b>	61	2	3	4	5	6	7	8	9
<b>B.</b>		Receipts or Accruals from Foreign Affiliates of the Foreign Parent (net of tax withheld)				Receivables of U.S. Affiliate from Foreign Affiliates of the Foreign Parent			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
	1	2	3	4	5	6	7	8	9
62	1	2	3	4	5	6	7	8	9
63	1	2	3	4	5	6	7	8	9
64	1	2	3	4	5	6	7	8	9
65	1	2	3	4	5	6	7	8	9
66	1	2	3	4	5	6	7	8	9
67	1	2	3	4	5	6	7	8	9
68	1	2	3	4	5	6	7	8	9
69	1	2	3	4	5	6	7	8	9
70	1	2	3	4	5	6	7	8	9
<b>TOTAL ALL COUNTRIES (SECTION B)</b>	71	2	3	4	5	6	7	8	9

This historical survey form is no longer valid and is for information purposes only. Current survey forms are at [www.bea.gov/help/information-for-survey-respondents](http://www.bea.gov/help/information-for-survey-respondents).

## INSTRUCTIONS

**Purpose** — Reports on this form are required in order to provide reliable and up-to-date information on foreign direct investment in the United States.

**Authority** — Reports on Form BE-605 are mandatory under Section 5(b)(2) of the International Investment Survey Act of 1976 (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104 — hereinafter “the Act”). In Section 3 of Executive Order 11961, the President designated the Department of Commerce as the federal executive agency responsible for collecting the required data on direct investment, and the Secretary of Commerce has assigned this responsibility to the Bureau of Economic Analysis. The implementing regulations are contained in Title 15, CFR, Part 806.

This report has been approved by the Office of Management and Budget under the Federal Reports Act (Public Law No. 831, 77th Congress).

**Penalties** — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 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 violation, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

**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).

### DEFINITIONS

**United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, and all territories and possessions of the United States.

**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.

**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), 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).

**Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

**Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.

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

**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 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

**U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.

**Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**Foreign affiliate of foreign parent** means, with reference to a given U.S. affiliate, any member of the affiliated foreign group owning the affiliate that is not a foreign parent of the affiliate.

**U.S. corporation** means a business enterprise incorporated in the United States.

**Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.

**Lease** is a contract by which one person gives another person the use and possession of tangible property (other than real estate) for a specified time in return for agreed-upon payments.

**Banking** includes business enterprises engaged in deposit banking, Edge Act corporations engaged in international or foreign banking, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, and bank holding companies, i.e., holding companies for which over 50 per cent of their total income is from banks which they hold.

### GENERAL INSTRUCTIONS

**Who must report** — Except as exempted below, a Form BE-605 is required from every U.S. corporation in which a foreign person had a direct and/or indirect ownership interest of 10 per cent or more of the voting stock at any time during the reporting period, provided there are direct transactions or positions between the U.S. corporation (U.S. affiliate) and the foreign parent. Related forms for reporting foreign direct investment in the United States are:

- BE-606 Transactions of Unincorporated U.S. Business Enterprise (Except a Bank) with Foreign Parent
- BE-606B Transactions of U.S. Banking Branch or Agency with Foreign Parent
- BE-607 Industry Classification Questionnaire

Reports are required even though the U.S. affiliate may have been established, acquired, liquidated, sold, or inactivated during the reporting period.

**Consolidated Reporting by U.S. Affiliates** — A U.S. affiliate shall file on a fully consolidated basis, including in the consolidation all other U.S. affiliates in which it directly or indirectly owns more than 50 per centum of the outstanding voting stock. (Foreign subsidiaries of the U.S. affiliate are not to be included in the consolidation, except as provided below under the equity method of accounting.) However, separate reports may be filed where a given U.S. affiliate is not normally consolidated due to unrelated operations or lack of control, provided written permission has been requested from and granted by BEA.

A listing of the names and addresses of the U.S. affiliates included in the consolidation must be provided with the first filing and then updated as changed on a quarterly basis. The list should indicate each U.S. affiliate's direct owner and the percentage of direct ownership interest held.

**NOTE:** When any member of the consolidated group which is a subsidiary of a U.S. affiliate is also directly owned by the same foreign parent having the indirect interest, a separate BE-605 must be filed to present that direct equity interest. The separate BE-605 should be completed from the viewpoint of the subsidiary U.S. affiliate and items 13 through 22 and Parts VII and VIII should NOT be completed since that data would normally be included in the consolidated report.

**Equity method of accounting** — Investments by the U.S. affiliate in business enterprises not included in the consolidation and which are 20 percent or more owned should be accounted for following the equity method of accounting. However, in these cases, inter-company items are not to be eliminated.

**Multiple foreign parents** — Where two or more foreign persons hold reportable equity interests in a U.S. affiliate, a separate report must be filed to report transactions or accounts with each foreign parent. Note, however, that transactions or accounts with foreign affiliates of a foreign parent, whether located in the same or in a different foreign country as the foreign parent, should not give rise to separate reports but should be entered in Part VIII (on page two) of the form for that foreign parent.

**Exemption** — A U.S. affiliate is not required to report if each of the following three items for the U.S. affiliate (not the foreign parent's share) is between -\$5,000,000 and +\$5,000,000.

- (1) Total assets,
- (2) Annual net sales or gross operating revenues, excluding sales taxes, and
- (3) Annual net income after provision for U.S. income taxes.

Quarterly reports for a year may be required retroactively when it is determined that the exemption level has been exceeded. If a U.S. affiliate's total assets, sales or net income exceed the exemption level in a given year, it is deemed that the exemption level will also be exceeded in the following year.

## INSTRUCTIONS (Continued)

**NOTE:** If any one of the three items above exceeds the exemption level, either positive or negative, the U.S. affiliate must report. Since these items are not reported on Form BE-605, a U.S. affiliate claiming exemption from filing a given report must furnish a certification as to the levels of these three items.

**Filing of report** — Form BE-605 is a quarterly report. A single copy of each report should be sent to: U.S. Department of Commerce, Bureau of Economic Analysis, BE-50(IN), Washington, D.C. 20230, within 30 days after the close of each calendar (or fiscal) quarter, except for the final quarter of the calendar (or fiscal) year, when reports may be filed within 45 days. Requests for extension of the filing date, additional forms, or clarification of the reporting requirements or instructions should be directed to the above address.

**Special note for U.S. affiliates that are banks:** Data to be reported on this form and relationship to Treasury Foreign Exchange Forms B-1, B-2, and B-3 — For U.S. affiliates which are banks, items 17, 18, 20, and 22 should be blank, and items 19 and 21 should reflect only those amounts which the U.S. affiliate considers to be permanent invested debt capital by the foreign parent and any interest payments entered in item 13, column 1, should relate only to this capital. Any entries in Part VIII, Section A, should also relate only to permanent invested debt capital by a foreign affiliate of the foreign parent. (See instruction at beginning of Part VIII.) This permanent invested debt capital and the foreign parent's equity investment in the U.S. affiliate (parts V and VI) must not be reported on Treasury Foreign Exchange Forms B-1, B-2, and B-3.

### SPECIFIC INSTRUCTIONS

Currency amounts should be reported in U.S. dollars and rounded to the nearest thousand. If an amount is between  $\pm$ \$500 enter "0". Use parentheses to indicate negative numbers.

Estimates may be provided where necessary in order to file a timely report.

A U.S. affiliate that is only indirectly foreign owned (item 6 must be marked), and which is required to file a separate report on Form BE-605 because it has direct transactions or positions with the foreign parent or foreign affiliates of the foreign parent, should complete only the following Parts as applicable:

Part I; Part II except items 10, 11, and 12; Part III; Part VII; and Part VIII.

All U.S. affiliates (except banks), whether directly or indirectly foreign owned, must complete Part VIII, page 2, if the U.S. affiliate has direct transactions with foreign affiliates of the foreign parent. A U.S. affiliate which is a bank should not complete Part VIII except for permanent invested capital. (See instructions at beginning of Part VIII.)

**Item 9.** Industry classification refers to the BEA 3-digit industry codes as given in the Industry Classification Questionnaire, Form BE-607.

**Items 10–16.** Enter amounts as of the date they were either received, paid, or entered into intercompany accounts between the payor and payee, whichever, occurred first. Include amounts for which payment was made in kind. For an item entered into intercompany account in, or prior to, the reporting period, in order to avoid duplication, any subsequent settlement of the account in the reporting period should not be reflected again in such item but should be reflected only as a reduction in intercompany account. Banks should exclude interest and fees relating to the items reportable on Treasury Foreign Exchange Forms B-1, B-2, and B-3. Stock dividends should be reported only in item 35.

**Item 15.** Receipts or payments for use of tangible property include rentals for operational leases of one year or less, net rent on operational leases of more than one year which have not been capitalized, and film and television tape rentals. Net rent is equivalent to the total lease payment less the return of capital (depreciation) component (see instruction for items 21 and 22.)

**Items 17–20.** Include all intercompany accounts or indebtedness of the U.S. affiliate with the foreign parent. Note that the current quarter's opening balance should be equal to the previous quarter's closing balance; therefore, if it is necessary to translate the balances to U.S. dollars, use the same exchange rate to translate the opening balance for the current quarter as was used to translate closing balance on the previous quarter. If the closing balance on the preceding quarter's report was in error, note the correction. Entries in items 17–20 should be consistent with entries in items 10–16 insofar as they reflect the latter entries. For example, film rentals shown in item 15 and accrued but not paid by the U.S. affiliate in the current quarter should be included in part III. Banks should not include accounts reportable on Treasury Forms B-1, B-2, and B-3.

**Items 17–18.** Current items: Trade accounts and notes payable, current portion of long-term debt, overdrafts, and other current liabilities having an original maturity of one year or less, except debt with an original maturity of one year or less which has been renewed, or with respect to which there is the intention and the means to renew, extend, or refinance for more than one year.

**Items 19–20.** Long-term items: Debt with an original maturity of more than one year or with no stated maturity, and debt with an original maturity of one year or less which has been renewed, or with respect to which there is the intention and the means to renew, extend, or refinance for more than one year.

If leases between the U.S. affiliate and the foreign parent are capitalized (in the manner, or in a manner similar to that, prescribed in FASB Statement No. 13, then the outstanding capitalized value should be shown here as an intercompany balance. Lease payments should be disaggregated into the amount which is (a) a reduction in the intercompany balance, which would be reflected in one of these items, and (b) interest, which would be entered in item 13. Capital (financial) and operating leases of more than one year that are not capitalized should be entered in items 21 and 22.

**Items 21 and 22.** Enter here the value of capital (financial) leases and operating leases of more than one year that have not been capitalized. For the operating leases, the net book value of leased plant and equipment is the original cost less accumulated depreciation. For capital (financial) leases, net book value is the amount of principal payments remaining due at the specified time including payment called for by a bargain purchase option, if any. Operating leases of one year or less should not be shown here. Lease payments should be disaggregated into (a) the return of capital, consisting of principal payments of capital (financial) leases and the depreciation component for operational leases, which should be reflected in a reduction in one of these items, and (b) interest for capital (financial) leases, which would be shown in item 13, and net rent for operational leases, which would be shown in item 15.

**Item 23.** Net income should be reported on a quarterly basis, NOT on a cumulative basis. Net income for the period shown in item 1 should be entered in column 1. Column 2 should be used to correct data that were incorrect or were not given in the preceding report. Do not delay filing because current quarter data are not available. Estimates may be used where necessary.

The amount entered should represent the foreign parent's equity, based on its directly held equity interest, in the U.S. affiliate's net income (loss) for the quarter, before provision for common and preferred dividends and before any reduction for U.S. withholding taxes on dividends, but after provision for U.S. income taxes. The income statement underlying this and related items should be on the "all inclusive" basis. U.S. affiliates in extractive industries should report net income before depletion charges, except charges representing the amortization of the actual cost of capital assets.

Net income should include, on an equity basis, the U.S. affiliate's share in the net income of all business enterprises owned by it.

If this report is for the U.S. affiliate's direct transactions or accounts with a foreign parent which does not hold a direct equity interest, the foreign parent's share in net income should be zero. If the foreign parent holds both a direct and an indirect equity interest, only the share representing the direct equity interest should be given in this item.

**Items 24–25.** Net unrealized and realized capital gains (losses) include net capital gains (losses) resulting from changes in U.S. affiliate's foreign currency denominated assets and liabilities due to changes in foreign exchange rates during the period, net unrealized capital gains (losses), which are recognized, resulting from revaluation of assets, and net realized capital gains (losses) resulting from disposition of assets such as the sale of investment securities or property, plant, or equipment items. All gains (losses) should be included in net income, item 23, and therefore, should be shown in item 24; if for some reason, they were not included in net income, but were taken directly to retained earnings or a surplus account, enter the amount in item 25.

**Items 26–38.** Entries in Section V are necessary to identify the cause of any changes in equity holdings by the foreign parent in the U.S. affiliate during the quarter. When changes in the foreign parent's share of the U.S. affiliate's capital stock and additional paid in capital occur during the quarter, the amount involved in the transaction which changed the capital account should be entered in the appropriate line item.

**Items 39–45.** Complete once a year; not later than the second filing following the close of the calendar year (or fiscal year if calendar year data are not available). For example, following the end of the calendar year, this section must be completed on the report due within 30 days after the close of the first quarter, or April 30. Best estimates are permitted where necessary in order to file a timely report.

**Item 41.** Same instructions as for item 23, except that this refers to the annual figure for the year designated in item 39.

**Items 42–45.** Show the proportion of capital owned and equity in surplus accounts by the foreign parent as of the end of the year as shown in item 39. The retained earnings account underlying the foreign parent's share of retained earnings, item 44, must be computed on the equity basis consistent with items 23 and 41.

**Part VIII** — Report direct transactions during the quarter with foreign affiliates of the foreign parent in accordance with column headings. Do not include transactions already reported in previous sections of this form. In Section A, report payments and liabilities to, and in Section B report receipts and receivables due from, foreign affiliates of foreign parent. In column (A) enter only one foreign country per line. If more lines than provided are needed in order to list all countries, use additional sheets as necessary. A copy of Part VIII may be used for this purpose. Note however, only countries with an amount of \$250 thousand or more must be reported on separate lines. Countries for which all amounts are less than \$250 thousand may be combined on one line; the line should be designated as "unallocated" in column A.

**TRANSACTIONS OF U.S. BANKING BRANCH  
OR AGENCY WITH FOREIGN PARENT**

**MANDATORY  
CONFIDENTIAL QUARTERLY REPORT**

This report is required by law - Section 5(b)(2), P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104. Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both.

RETURN TO

U.S. Department of Commerce  
Bureau of Economic Analysis, BE-50 (IN)  
Washington, D.C. 20230

**IMPORTANT - Report data according to books of U.S. affiliate. Read instructions on reverse side before completing this form. REPORT ALL AMOUNTS IN THOUSANDS OF U.S. DOLLARS.**

**I. IDENTIFICATION**

1. Report for quarter ending			If revised, mark here	BEA USE ONLY												
MONTH	DAY	YEAR		<input type="checkbox"/>												
			<input type="checkbox"/>	3												
2. Name and address of U.S. affiliate																
3. Name of foreign parent																
4. Country of location of foreign parent														BEA USE ONLY		
														1		
5. If U.S. affiliate's industry classification has changed, mark here and complete Form BE-607, Industry Classification Questionnaire.																
														1		

**II. TRANSACTIONS WITH FOREIGN PARENT**

Note: Only positions and transactions relating to the foreign parent's permanent invested capital in the U.S. affiliate are to be reported on this form in items 6, 7, 9, 10, 11, and 12, and these amounts must not be reported on Treasury International Capital Reporting Forms BQ-1, BQ-2, BL-1, BL-2, and BC.

	Amount
6. Foreign parent's permanent invested capital in the U.S. banking affiliate at beginning of quarter. This would normally consist of capital allocated to the U.S. affiliate, special reserves out of net income, and net income not yet distributed.	06 1
7. Transfer of permanent invested capital to U.S. affiliate by the foreign parent during quarter	07 1
8. Foreign parent's equity in U.S. affiliate's quarterly net income (loss) after provision for U.S. income taxes. Amounts shown in items 16 through 19 should already be included as reductions to income.	08 1
9. Other additions to permanent invested capital	09 1
Less:	1
10. Return of permanent invested capital to foreign parent by U.S. affiliate	10 1
11. Remitted income to the foreign parent and other deductions from permanent invested capital	11 1
12. Foreign parent's permanent invested capital in the U.S. banking affiliate at end of quarter. This would normally consist of capital allocated to the U.S. affiliate, special reserves out of net income, and net income not distributed. (Equals items 6 + 7 + 8 + 9 - 10 - 11)	12 1
<b>Foreign parent's equity in U.S. affiliate's net unrealized and realized capital gains (losses)</b>	1
13. Included in income, item 8. Show losses in parentheses ( ).	13 1
14. Excluded from income, item 8, but included in investment in item 9 or 11. Show losses in parentheses ( ).	14 1
15. Gain (loss) on sale or liquidation of U.S. affiliate. Specify whether gain or (loss). <b>Foreign parent's charges to U.S. affiliate, less U.S. affiliate's charges to the foreign parent, during quarter. Report net negative charges in parentheses ( ).</b>	15 1
16. Interest on permanent invested capital reported in items 6 and/or 12	16 1
17. Royalties, license fees, and other fees for use or sale of intangible property	17 1
18. Charges for use of tangible property	18 1
19. Fees for services rendered including fees for management, professional, or technical services, and allocated expenses	19 1
<b>BEA USE ONLY</b> →	
	20 1

PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT	Name and Address		TELEPHONE		
			Area code	Number	Extension

**CERTIFICATION**

The U.S. affiliate, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct to the best of their knowledge and belief.

Authorized official's signature	Title	Date
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## INSTRUCTIONS

**Purpose** — Reports on this form are required in order to provide reliable and up-to-date information on foreign direct investment in the United States.

**Authority** — Reports on Form BE-606B are mandatory under Section 5(b)(2) of the International Investment Survey Act of 1976 (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3104 — hereinafter "the Act"). In Section 3 of Executive Order 11961, the President designated the Department of Commerce as the federal executive agency responsible for collecting the required data on direct investment, and the Secretary of Commerce has assigned this responsibility to the Bureau of Economic Analysis. The implementing regulations are contained in Title 15, CFR, Part 806.

This report has been approved by the Office of Management and Budget under the Federal Reports Act (Public Law No. 813, 77th Congress).

**Penalties** — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 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 violation, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

**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).

### DEFINITIONS

**United States**, when used in a geographic sense, means the several states, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, and all territories and possessions of the United States.

**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.

**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), 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).

**Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

**Foreign direct investment in the United States** means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.

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

**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 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

**U.S. affiliate** means an affiliate located in the United States in which a foreign person has a direct investment.

**Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**Foreign affiliate of foreign parent** means, with reference to a given U.S. affiliate, any member of the affiliated foreign group owning the affiliate that is not a foreign parent of the affiliate.

**U.S. corporation** means a business enterprise incorporated in the United States.

**Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.

**Banking** includes business enterprises engaged in deposit banking, Edge Act corporations engaged in international or foreign banking, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, and bank holding companies, i.e., holding companies for which over 50 percent of their total income is from banks which they hold.

**Who must report** — Except as exempted below, Form BE-606B is required from every unincorporated U.S. banking branch or agency in which a foreign person had a direct and/or indirect ownership interest of 10 percent or more at any time during the reporting period. The report is to cover direct transactions and positions between the unincorporated U.S. banking branch or agency (U.S. affiliate) and the foreign parent. Related forms for reporting foreign direct investment in the U.S. are:

BE-605 Transactions of U.S. Corporation with Foreign Parent

BE-606 Transactions of Unincorporated U.S. Business Enterprise (Except a Bank) with Foreign Parent

BE-607 Industry Classification Questionnaire

Reports are required even though the U.S. business enterprise may have been established, acquired, liquidated, sold, or inactivated during the reporting period.

**NOTE:** Each unincorporated U.S. banking affiliate must file a Form BE-606B. Two or more unincorporated U.S. banking affiliates owned by the same foreign person may file a single Form BE-606B combining their reportable transactions provided written permission has been requested from and granted by BEA.

**Multiple foreign parents** — Where two or more foreign persons hold reportable equity interests in an unincorporated U.S. banking affiliate, a separate report should be filed to report the transactions or accounts with each foreign parent.

**Exemption** — A U.S. affiliate is not required to report if each of the following three items for the U.S. affiliate (not the foreign parent's share) is between  $-\$5,000,000$  and  $+\$5,000,000$ .

- (1) Total assets,
- (2) Annual net sales or gross operating revenues, excluding sales taxes, and
- (3) Annual net income after provision for U.S. income taxes.

Quarterly reports for a year may be required retroactively when it is determined that the exemption level has been exceeded. If a U.S. affiliate's total assets, sales or net income exceed the exemption level in a given year, it is deemed that the exemption level will also be exceeded in the following year.

**NOTE:** If any one of the three items above exceeds the exemption level, either positive or negative, the U.S. affiliate must report. Since these items are not reported on Form BE-606B, a U.S. affiliate claiming exemption from filing a given report must furnish a certification as to the levels of these three items.

**Filing of report** — Form BE-606B is a quarterly report. A single copy of each report should be sent to: U.S. Department of Commerce, Bureau of Economic Analysis, BE-50 (IN), Washington, D.C. 20230, within 30 days after the close of each calendar (or fiscal) quarter, except for the report following the end of the calendar (or fiscal) year, when reports may be filed within 45 days. Requests for extension of the filing date, additional forms, or clarification of the reporting requirements or instructions should be directed to the above address.

**Data to be reported on this form and relationship to Treasury International Capital Reporting Forms BQ-1, BQ-2, BL-1, BL-2, and BC** — Only positions and transactions relating to the foreign parent's permanent invested capital in the U.S. affiliate are to be reported on this form in items 6, 7, 9, 10, 11, and 12, and these amounts must not be reported on Treasury International Capital Reporting Forms BQ-1, BQ-2, BL-1, BL-2, and BC.

### SPECIFIC INSTRUCTIONS

Currency amounts should be reported in U.S. dollars and rounded to the nearest thousand. If an amount is between  $\pm\$500$  enter "0". Use parentheses to indicate negative numbers.

Estimates may be provided where necessary in order to file a timely report.

**Item 5.** Industry classification refers to the BEA 3-digit industry codes given in the Industry Classification Questionnaire, Form BE-607.

**Item 8.** The amount entered should represent the foreign parent's equity in the U.S. affiliate's net income (loss) for the quarter after provision for U.S. income taxes. (Do not report net income on a cumulative basis.) The income statement underlying this and related items should be on the "all inclusive" basis.

**Items 13 and 14.** Net unrealized and realized capital gains (losses) include net capital gains (losses) resulting from changes in U.S. affiliate's foreign currency denominated assets and liabilities due to changes in foreign exchange rates during the period, net unrealized capital gains (losses), which are recognized, resulting from revaluations of assets, and net realized capital gains (losses) resulting from disposition of assets such as the sale of investment securities or property, plant, or equipment items. All gains (losses) should be included in net income, item 8, and therefore, should be shown in item 13; if, for some reason, they were not included in net income but were included in item 9 or item 11, enter the amount in item 14.