

Cross Border Business Law Blog

Watch Out! Foreign Owned Investments – Report Due This Month!

Sara Sandford on 5.18.15 | Posted in Securities Compliance

Are you a U.S. person or enterprise with 10% or more ownership or controlling interest in voting securities of a non-U.S. entity? If so, you likely owe a report to the Department of Commerce by May 29, 2015. The Department of Commerce's Bureau of Economic Analysis (BEA) has collected data about U.S. bound foreign investors and U.S. owned foreign investments for many years. It was recently reinstated, however, as a mandatory requirement for reporting on such investments every five years.

The form to submit for outbound investments is called a BE-10. The latest five year report is due by May 29, 2015, if you're reporting fewer than 50 such foreign affiliate investments, and June 30, 2015, when you exceed 50. If needed, you can ask for an extension, which the BEA will likely grant. Each U.S. reporter has to file a BE-10A, and then another BE-10 B, C or D, as applicable, for its foreign affiliate. The form you use depends on the level of investment, measured in assets, sales and net income of the foreign enterprise. Details about the forms and instructions can be found [here](#).

We have worked with the BEA to assist our clients with these kinds of filings for many years. The BEA staff are extremely helpful at answering many of the questions not answered in the regulations, forms or instructions. Just make sure you've done your best to read and understand the forms and instructions first. They can be reached at (202) 606-5566. And, of course, feel free to contact us if we can be of assistance.

Does this really matter? Yes it does! Although the BEA doesn't have sufficient resources to pursue delinquent reports, persistent failures to file could eventually end up triggering pretty serious criminal and civil penalties. Criminal penalties for willful failures can be up to \$10,000 and imprisonment for up to one year. Civil penalties can include up to \$25,000 in fines and injunctive relief.

Tags: BE-10, BEA, Department of Commerce Bureau of Economic Analysis