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Form BE-10 Reminder... Plus New FAQs for Funds

Update: For many filers, May 29 was the deadline for [Form BE-10](#) to be filed with the Department of Commerce's Bureau of Economic Analysis. Certain others have obtained an extension, and those with 50 or more foreign affiliates may have until June 30. The filing requirement applies to many asset management firms or funds. The form's instructions and [funds FAQ](#) seek to demystify who has to file and how a filer should characterize its business. A limited time remains before [Form BE-10](#) is due to be filed with the Department of Commerce's Bureau of Economic Analysis. The filing requirement applies to many asset management firms or funds. The form's [instructions](#) and [funds FAQ](#) seek to demystify who has to file and how a filer should characterize its business. **What is Form BE-10?** The form is part of a program of benchmark surveys and is due only every five years. It is required by law to be filed by those companies and individuals within its scope, and those who fail to file are subject to penalties. **What's new?** In years past, only firms that were alerted by the government were required to file, but this time all persons who directly or indirectly own 10% or more of the voting securities of a foreign company have to file, regardless of the size of the company, unless the form provides otherwise. **What foreign holdings count or don't count?** Virtually any foreign holding may count, whether the foreign company is

- a fund, such as a master fund that has a U.S. feeder, or an underlying fund held by a U.S. fund of funds
- an operating company, such as a portfolio company held by a U.S. fund
- an offshore special purpose vehicle, such as an offshore subsidiary of a registered investment company
- a company indirectly held by the filing party (such as through a fund)

What are some of the interpretive questions an asset manager should expect to face?

- What constitutes a voting security? For example, for purposes of Form BE-10, the general partner of a non-U.S. limited partnership, rather than feeder funds or other investors, will ordinarily be deemed to hold all of the voting securities.
- Who within the larger corporate organization should file? The form has detailed instructions on consolidating an organization's reports and determining the proper filer.
- When does the nature of a foreign company mean that it is not a foreign affiliate after all? The form considers certain entities to be effectively part of the U.S. entity rather than being treated as a separate foreign affiliate.

When is the form due? May 29, 2015. Firms that have 50 or more foreign affiliates may be eligible for a June 30, 2015 deadline. Protocols have been provided for requesting extensions. **Compliance tip** For consistency's sake next time around, consider taking the time to note the assumptions, interpretations, and sources of information that went into preparing this filing. Then set a calendar reminder for the date the filing next becomes due... in late May 2020.

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