



## **DEPARTMENT OF COMMERCE**

### **Bureau of Economic Analysis**

#### **15 CFR Part 801**

**[170322303-7303-01]**

**RIN 0691-AA87**

### **International Services Surveys: BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons**

**AGENCY:** Bureau of Economic Analysis, Commerce.

**ACTION:** Notice of proposed rulemaking.

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**SUMMARY:** This proposed rule would amend regulations of the Department of Commerce's Bureau of Economic Analysis (BEA) to renew reporting requirements for the mandatory BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons. This survey will apply to the 2017 fiscal reporting year. The benchmark survey covers the universe of transactions in selected services and intellectual property and is BEA's most comprehensive survey of such transactions. For the 2017 benchmark survey, BEA proposes several changes in the data items collected, the design of the survey form, and the reporting requirements for the survey. This mandatory survey would be conducted under the authority of the International Investment and Trade in Services Survey Act.

**DATES:** Comments on this proposed rule will receive consideration if submitted in writing on or before 5:00 p.m. [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You can submit comments, identified by RIN 0691-AA87, and referencing the agency name (Bureau of Economic Analysis), by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. For Keyword or ID, enter “EAB-2017-0002.”
- *E-mail:* [christopher.stein@bea.gov](mailto:christopher.stein@bea.gov)
- *Fax:* Christopher Stein, Chief, Services Surveys Branch, Balance of Payments Division, (301) 278-9507.
- *Mail:* Christopher Stein, Chief, Services Surveys Branch (BE-50), Balance of Payments Division, Bureau of Economic Analysis, U.S. Department of Commerce, 4600 Silver Hill Rd., Washington, DC 20233.
- *Hand Delivery/Courier:* Christopher Stein, Chief, Services Surveys Branch (BE-50), Balance of Payments Division, Bureau of Economic Analysis, U.S. Department of Commerce, 4600 Silver Hill Rd., Suitland, MD 20746.

Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in the proposed rule should be sent to both BEA through any of the methods above and to the Office of Management and Budget (OMB), OIRA, Paperwork Reduction Project 0608-0058, Attention PRA Desk Officer for BEA, via e-mail at [jpark@omb.eop.gov](mailto:jpark@omb.eop.gov), or by fax at 202-395-7245.

Public Inspection: All comments received are a part of the public record and will generally be posted to <http://www.regulations.gov> without change. All personal identifying information (for example, name, address, etc.) voluntarily submitted by the commenter may be publicly accessible. Do not submit confidential business information or otherwise sensitive or protected

information. BEA will accept anonymous comments (enter N/A in required fields if you wish to remain anonymous). Attachments to electronic comments will be accepted in Microsoft Word, Excel, or Adobe portable document file (pdf) formats only.

**FOR FURTHER INFORMATION CONTACT:** Christopher Stein, Chief, Services Surveys Branch (BE-50), Balance of Payments Division, Bureau of Economic Analysis, U.S. Department of Commerce, 4600 Silver Hill Rd., Washington, DC 20233; e-mail *christopher.stein@bea.gov* or phone (301) 278-9189.

**SUPPLEMENTARY INFORMATION:** The BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons is a mandatory survey and is typically conducted once every five years by BEA under the authority provided by the International Investment and Trade in Services Survey Act (22 U.S.C. 3101-3108), hereinafter, “the Act.” The Act provides that data reported to BEA on this survey are confidential and may be used only for analytical and statistical purposes. Without prior written permission from the survey respondent, the information cannot be presented in a manner that allows it to be individually identified. An individual respondent’s report cannot be used for purposes of taxation, investigation, or regulation. Copies retained by BEA are immune from legal process. Per the Cybersecurity Enhancement Act of 2015, a respondent’s data are protected from Cybersecurity risks through security monitoring of the BEA information systems.

Unlike most other BEA surveys conducted pursuant to the Act, a response would be required from persons subject to the reporting requirements of the BE-120, whether or not they are contacted by BEA, to ensure complete coverage of services and intellectual property transactions

between U.S. persons (any individual or organization subject to the jurisdiction of the United States) and foreign persons.

In 2012, BEA established regulatory guidelines for collecting data on international trade in services and direct investment (77 FR 24373; April 24, 2012). This proposed rule, unlike most annual or quarterly BEA surveys conducted pursuant to the Act, would amend those regulations to require a response from persons subject to the reporting requirements of the BE-120, whether or not they are contacted by BEA.

The benchmark survey is intended to cover the universe of selected services and intellectual property transactions with foreign persons and is BEA's most comprehensive survey of such transactions. In nonbenchmark years, the universe estimates covering these transactions are derived from the sample data reported on BEA's BE-125 Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons. The BE-125 collects similar information but at a more aggregated level of detail by type of service. The data are collected from a sample of respondents. BEA uses cutoff sampling for the BE-125, meaning that respondents must only report on the BE-125 if they have transactions that surpassed a designated reporting threshold; greater than \$6 million for sales and/or greater than \$4 million for purchases. The same reporters that file on a quarterly basis throughout fiscal year 2017 will also be required to report on the 2017 BE-120 survey. The BE-120 survey is conducted to reconcile reported quarterly data at an annual level for those respondents filing on the BE-125 survey, and also to collect data from companies not subject to filing on an ongoing quarterly basis.

The benchmark data, including data from respondents not subject to filing on an ongoing quarterly basis, will be used, in conjunction with quarterly data collected on the companion BE-125 survey, to produce estimates of selected services components for BEA's international transactions accounts (ITAs), national income and product accounts, and industry accounts. If

this information was not collected on the BE-120 survey, BEA would need to expand the scope of the BE-125 quarterly survey by collecting additional data items and reducing reporting thresholds, resulting in an increased number of respondents and a measurable impact on the reporting burden each quarter. The data are needed to monitor U.S. trade in services, to analyze the impact on the U.S. economy and on foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, to conduct trade promotion, and to improve the ability of U.S. businesses to identify and evaluate market opportunities.

A full list of the services and intellectual property covered by the BE-120 survey can be found in the regulatory text for new § 801.11 at the end of this document.

This proposed rule would amend 15 CFR part 801 by adding new § 801.11 to set forth the reporting requirements for the BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons.

### **Description of Changes**

The proposed changes would amend the regulations and the survey form for the BE-120 benchmark survey. These amendments include changes in data items collected, the design of the survey form, and the reporting requirements for those not subject to reporting on the mandatory schedule(s) of the survey.

BEA proposes to change the reporting requirements for reporters with transactions in covered services below the threshold for mandatory reporting on the schedule(s) of the survey (\$2 million in combined sales or \$1 million in combined purchases for fiscal year 2017). While responding to benchmark surveys is always mandatory, for the previous BE-120 survey, reporters with transactions below these thresholds were required only to provide a figure for total sales and/or total purchases for all covered transactions. These reporters had the option of providing

additional detail for each covered transaction by transaction type, by country, and by affiliation; such additional detail was voluntary rather than required. For the 2017 BE-120, however, *all* reporters, regardless of the amount of their transactions in covered services will be required to provide a total dollar amount for their sales and purchases, as applicable, *by transaction type*. This information will allow BEA to improve the accuracy of the trade statistics.

This change will impose minimal additional burden for reporters because the additional information to be reported is information that respondents would have needed to compile or estimate previously in order to apply the reporting requirements. Under the prior approach, reporters would have needed to compile or estimate the dollar amount of their sales to and purchases from foreigners by transaction type in order to determine if their transactions met the threshold for mandatory reporting on the schedules. Under the new approach, BEA is simply requiring that respondents report those transaction totals.

BEA proposes to add and modify some items on the benchmark survey form. Most of the additions are proposed in response to suggestions from data users and would allow BEA to more closely align with international guidelines, and publish more information on U.S. trade in services. Some additions and modifications will allow BEA to align the ITAs more closely with international economic accounting guidelines.

The following items would be added to the benchmark survey:

1) **Mandatory questions will be added to collect information on contract**

**manufacturing services.** On the 2011 BE-120 survey, respondents were requested to provide information on transactions related to contract manufacturing services on a voluntary basis. The 2017 BE-120 survey will collect information on contract manufacturing services on a mandatory basis. Reporters will be required to provide a description of both the materials provided or received for further processing and the

manufactured (finished) goods. Additionally, the reporter will be required to provide: 1) country-level detail on sales and purchases to foreign persons, 2) the cost of materials received or provided for use in the manufacturing process, 3) the primary country of origin of the inputs used, 4) the final value of the product returned after the manufacturing service was completed, and 5) the primary country of destination of the finished product.

- 2) **Mandatory questions will be added to collect information on trade in services by the location of the U.S. and foreign transactors when the services were supplied.** For transactions in selected services, respondents will be required to provide information about the location of the transactors when the services were supplied: 1) cross-border supply, where both the supplier and the consumer remain in their respective territories; 2) consumption abroad, where the consumer consumes the service outside his or her home territory, and 3) presence of natural persons, where an individual (either the service supplier himself, if he or she is a self-employed person, or his or her employee) is present abroad in order to supply a service.

In addition, BEA proposes to make the following modifications to the survey form:

- (1) **Mandatory Schedules A and B will be expanded to collect additional detail on intellectual property (IP) transactions.** A U.S. person who engages in IP transactions with foreign persons will be required to distribute their receipts and/or payments according to the type of transaction and the type of IP. The covered transaction types are: (1) transactions for the rights to use IP, (2) transactions for the rights to reproduce and/or distribute IP, and (3) transactions for the outright sales or purchases of IP. Reporters will be required to identify the foreign country(ies) involved in the transaction(s) and to distribute the amounts reported for each country according to whether the foreign person

is the U.S. person's foreign affiliate, part of the U.S. person's foreign parent group, or an unaffiliated foreign person. The BE-125 survey was modified in 2016 to align with international guidelines by collecting receipts and/or payments according to the above types of transactions and types of IP. Therefore, the proposed modification to the BE-120 is consistent with the change made to the BE-125 survey.

**(2) Research and development services will be broken out into two categories:** 1)

provision of customized and non-customized R&D services, and 2) other R&D services, including testing. This will allow BEA to align the ITAs with international guidelines and will improve the measurement of investment in R&D in the national income and product accounts.

**(3) Engineering, architectural, and surveying services will be broken out into three**

**categories:** 1) architectural services; 2) engineering services; 3) surveying, cartography, certification, testing, and technical inspection services. The current category of industrial engineering services will be dropped and captured within engineering services.

**(4) Management, consulting, and public relation services will be broken out into three**

**categories:** 1) market research services; 2) public opinion polling services; and 3) other management, consulting, and public relations services. Trade exhibition and sales convention services would be collected separately.

**(5) Database and other information services would be broken out into two components:**

1) news agency services, and 2) other information services.

**(6) Computer services would be expanded into three categories:** 1) computer software,

including end-user licenses and customization services; 2) cloud computing and data storage services; and 3) other computer services.

**(7) Several service categories previously collected under "Other selected services" will**

**be collected separately.** These services include audiovisual services, artistic-related services, health services, heritage and recreational services, other personal services, disbursements for sales promotion and representation, photographic services (including satellite photography), and space transport services.

**(8) Mandatory Schedule C will be modified to only collect related goods details for construction services.** On the 2011 BE-120 survey, exports (sales) of three service types are collected on a separate schedule, Schedule C, to allow for reporting of information on the gross operating revenues and related goods exports and foreign expenses. The three categories are: 1) construction services; 2) engineering, architectural, and surveying services; and 3) mining services. On the 2017 BE-120, only construction services will be collected on Schedule C. Mining services as well as the three new categories that will replace engineering, architectural, and surveying services will be collected on Schedule A.

**(9) The identification of transaction types and voluntary reporting of additional detail will be streamlined.** On the 2011 BE-120, reporters were sent through a series of check boxes to identify which of the covered transactions (sales or purchases) they had with foreign persons, and to determine if they had amounts which met the thresholds for reporting on the mandatory schedules. Based on the results of this box-checking, reporters were then required to report transactions by country and by affiliation on the mandatory schedule(s), or were given multiple options to voluntarily report this information. This approach resulted in an inefficient use of space on the survey and caused confusion among reporters. With the 2017 BE-120, BEA will streamline the process for identifying which transactions the reporter had and for reporting country and affiliation information. All reporters, regardless of the amount of their transactions in

covered services will be required to provide a total dollar amount for their sales and purchases, as applicable, by transaction type. Reporters with transactions below the threshold will then have the option to voluntarily report information on transactions by country and by affiliation on the standard reporting schedules.

In addition, BEA proposes to redesign the format and wording of the survey. The new design would incorporate improvements made to other BEA surveys as well as enhancements from a recent cognitive review conducted with selected survey respondents. Survey instructions and data item descriptions would be changed to improve clarity and ensure the benchmark survey form is more consistent with other BEA surveys.

#### **Executive Order 12866**

This proposed rule has been determined to be significant for purposes of E.O. 12866.

#### **Executive Order 13132**

This proposed rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under E.O. 13132.

#### **Executive Order 13771**

This rule is not subject to the requirements of EO 13771 because this rule results in no more than *de minimis* costs.

#### **Paperwork Reduction Act**

This proposed rule contains a collection-of-information requirement subject to review and approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520 (PRA). The requirement will be submitted to OMB for approval as a reinstatement, with change, of a previously approved collection for which approval has expired under OMB control number 0608-0058. Surveys were collected for the 2011 BE-120 in calendar years 2012 and 2013. No survey submissions were solicited by BEA after the expiration

and discontinuance of the collection in October of 2014.

Notwithstanding any other provisions of 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 PRA unless that collection displays a currently valid OMB control number.

The BE-120 survey, as proposed, is expected to result in the filing of reports from approximately 15,500 respondents. Approximately 11,500 respondents would report mandatory data on the survey, and approximately 4,000 would file exemption claims. The respondent burden for this collection of information would vary from one respondent to another but is estimated to average 1) 23 hours for the 5,000 respondents that file mandatory or voluntary data by country and affiliation for relevant transaction types on the mandatory schedules; 2) 4 hours for the 6,500 respondents that file mandatory data by transaction type but not by country or affiliation—including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information; and 3) 1 hour for other responses. Thus the total respondent burden for this survey is estimated at 145,000 hours, or about 9.5 hours (145,000 hours/15,500 respondents) per response, compared to 105,000 hours, or about 7 hours (105,000/15,000) for the previous BE-120 benchmark survey in 2011. The increase in burden hours is due to an increase in the size of the respondent universe as well as changes to the content and reporting requirements of the survey.

As part of its continuing effort to reduce paperwork and respondent burden, the Department of Commerce invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the PRA. Comments are requested concerning: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have

practical utility; (b) the accuracy of the burden estimate; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

Written comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained in the proposed rule should be sent to both BEA and OMB following the instructions given in the ADDRESSES section above.

### **Regulatory Flexibility Act**

The Chief Counsel for Regulation, Department of Commerce, has certified to the Chief Counsel for Advocacy, Small Business Administration, under the provisions of the Regulatory Flexibility Act, 5 U.S.C. 605(b), that this proposed rulemaking, if adopted, will not have a significant economic impact on a substantial number of small entities. The changes proposed in this rule are discussed in the preamble and are not repeated here.

A BE-120 report would be required of any U.S. person that had sales to, or purchases from, foreign persons in any of the types of selected services or intellectual property listed above.

While the survey would not collect data on total sales or other measures of the overall size of the respondents to the survey, historically the respondents to the existing quarterly survey of transactions in selected services and intellectual property and to the previous benchmark surveys have been comprised mainly of major U.S. corporations. A completed benchmark survey, as proposed, would be required from U.S. persons who had transactions in any of the covered services and intellectual property with foreign persons. For U.S. persons who have transactions that exceeded \$2 million in combined sales or \$1 million in combined purchases for fiscal year 2017, a completed benchmark survey would include data on total sales and/or purchases of each of the covered types of services and intellectual property transactions with totals disaggregated

by country and by relationship to the foreign transactor (foreign affiliate, foreign parent group, or unaffiliated). For U.S. persons who have transactions that fall below \$2 million in sales or \$1 million in purchases for fiscal year 2017, a completed benchmark would include total sales and/or purchases for each type of transaction in which they engaged. This exemption level would exclude most small businesses from mandatory reporting of detail by country and by affiliation. Any small businesses that may be required to report would likely have engaged in a small number of covered transactions, and are therefore expected to be below the expected average burden of 9.5 hours per response. Even if the responses for small businesses took the expected average burden of 9.5 hours per response, that would not constitute a significant impact on any small business or other entity. Because this rule would not have a significant impact on any small entities, an Initial Regulatory Flexibility Analysis is not required and none has been prepared.

**List of Subjects in 15 CFR Part 801**

Economic statistics, Foreign trade, International transactions, Penalties, Reporting and recordkeeping requirements.

Dated: November 2, 2017.

Brian C. Moyer,

Director, Bureau of Economic Analysis.

For reasons set forth in the preamble, BEA proposes to amend 15 CFR part 801 as follows:

**PART 801—SURVEY OF INTERNATIONAL TRADE IN SERVICES BETWEEN U.S. AND FOREIGN PERSONS AND SURVEYS OF DIRECT INVESTMENT**

1. The authority citation for 15 CFR part 801 continues to read as follows:

**Authority:** 5 U.S.C. 301; 15 U.S.C. 4908; 22 U.S.C. 3101–3108; E.O. 11961 (3 CFR, 1977 Comp., p. 86), as amended by E.O. 12318 (3 CFR, 1981 Comp. p. 173); and E.O. 12518 (3 CFR, 1985 Comp. p. 348).

2. Revise § 801.3 to read as follows:

**§ 801.3 Reporting requirements.**

Except for surveys subject to rulemaking in §§ 801.7, 801.8, 801.9, 801.10, and 801.11, reporting requirements for all other surveys conducted by the Bureau of Economic Analysis shall be as follows:

(a) Notice of specific reporting requirements, including who is required to report, the information to be reported, the manner of reporting, and the time and place of filing reports, will be published by the Director of the Bureau of Economic Analysis in the FEDERAL REGISTER prior to the implementation of a survey;

(b) In accordance with section 3104(b)(2) of title 22 of the United States Code, persons notified of these surveys and subject to the jurisdiction of the United States shall furnish, under oath, any report containing information which is determined to be necessary to carry out the surveys and studies provided for by the Act; and

(c) Persons not notified in writing of their filing obligation by the Bureau of Economic Analysis are not required to complete the survey.

3. Add § 801.11 to read as follows:

**§801.11 Rules and regulations for the BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons - 2017.**

The BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons will be conducted covering fiscal year 2017. All legal authorities, provisions, definitions, and requirements contained in §§ 801.1 through 801.2 and §§ 801.4 through 801.6 are applicable to this survey. Specific additional rules and regulations for the BE-120 survey are given in paragraphs (a) through (e) of this section. More detailed instructions are given on the report form and in instructions accompanying the report form.

(a) *Response required.* A response is required from persons subject to the reporting requirements of the BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons – 2017, contained herein, whether or not they are contacted by BEA. Also, a person, or its agent, that is contacted by BEA about reporting on this survey, either by sending a report form or by written inquiry, must respond in writing pursuant to this section. This may be accomplished by:

- (1) Completing and returning the BE-120 by the due date of the survey; or
- (2) If exempt, by completing the determination of reporting status section of the BE-120 survey and returning it to BEA by the due date of the survey.

(b) *Who must report.* A BE-120 report is required of each U.S. person that had sales to foreign persons or purchases from foreign persons in the services and intellectual property categories covered by the survey during its 2017 fiscal year.

(c) *What must be reported.* (1) A U.S. person that had combined sales to foreign persons that exceeded \$2 million or combined purchases from foreign persons that exceeded \$1 million in the services and intellectual property categories covered by the survey during its 2017 fiscal year, on an accrual basis, is required to provide data on total sales and/or

purchases of each of the covered types of services and intellectual property transactions and must disaggregate the totals by country and by relationship to the foreign transactor (foreign affiliate, foreign parent group, or unaffiliated). The \$2 million threshold for sales and the \$1 million threshold for purchases should be applied to services and intellectual property transactions with foreign persons by all parts of the consolidated domestic U.S. Reporter. Because the \$2 million threshold for sales and \$1 million threshold for purchases apply separately to sales and purchases, the mandatory reporting requirement may apply only to sales, only to purchases, or to both. The determination of whether a U.S. company is subject to this reporting requirement may be based on the judgment of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty, without conducting a detailed manual records search.

- (2) A U.S. person that had combined sales to foreign persons that were \$2 million or less or combined purchases from foreign persons that were \$1 million or less in the intellectual property or services categories covered by the survey during its 2017 fiscal year, on an accrual basis, is required to provide the total sales and/or purchases for each type of transaction in which they engaged. The \$2 million threshold for sales and the \$1 million threshold for purchases should be applied to services and intellectual property transactions with foreign persons by all parts of the consolidated domestic U.S. Reporter. Because the \$2 million threshold for sales and \$1 million threshold for purchases apply separately to sales and purchases, the mandatory reporting requirement may apply only to sales, only to purchases, or to both.

(i) *Voluntary reporting of sales.* If, during fiscal year 2017, combined sales were \$2 million or less, on an accrual basis, the U.S. person may, in addition to providing the required total for each type of transaction, report sales at a country and affiliation level of detail on the applicable mandatory schedule(s).

(ii) *Voluntary reporting of purchases.* If, during fiscal year 2017, combined purchases were \$1 million or less, on an accrual basis, the U.S. person may, in addition to providing the required total for each type of transaction, report purchases at a country and affiliation level of detail on the applicable mandatory schedule(s). Provision of this additional detail is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed records search.

- (3) *Exemption claims.* Any U.S. person that receives the BE-120 survey form from BEA, but is not subject to the reporting requirements, must file an exemption claim by completing the determination of reporting status section of the BE-120 survey and returning it to BEA by the due date of the survey. This requirement is necessary to ensure compliance with reporting requirements and efficient administration of the Act by eliminating unnecessary follow-up contact.
- (d) *Covered types of services.* Services transactions covered by this survey consist of sales and purchases related to certain intellectual property rights (see paragraphs (d)(1) through (18) of this section for a list of intellectual property-related transactions covered by this survey) and sales and purchases of selected services (see paragraphs (d)(19) through (59) of this section for a list of services covered by this survey). The transactions (sales or

purchases) between U.S. companies and foreign persons covered by the BE-120 survey are:

- (1) Rights related to the use of a patent, process, or trade secret to produce and/or distribute a product or service;
- (2) Outright sales of proprietary rights related to patents, processes, and trade secrets;
- (3) Rights to use books, music, etc., including end-user rights related to digital content;
- (4) Rights to reproduce and/or distribute books, music, etc.;
- (5) Outright sales of proprietary rights related to books, music, etc.;
- (6) Rights to use trademarks;
- (7) Outright sales of proprietary rights related to trademarks;
- (8) Rights to use recorded performances and events, including end-user rights related to digital content;
- (9) Rights to reproduce and/or distribute recorded performances and events;
- (10) Outright sales of proprietary rights related to recorded performances and events;
- (11) Rights to broadcast and record live performances and events;
- (12) Rights to reproduce and/or distribute general use computer software;
- (13) Outright sales of proprietary rights related to general use computer software;
- (14) Fees associated with business format franchising;
- (15) Outright sales of proprietary rights related to business format franchising;
- (16) Rights to use other intellectual property;
- (17) Rights to reproduce and/or distribute other intellectual property;
- (18) Outright sales of proprietary rights related to other intellectual property;
- (19) Accounting, auditing, and bookkeeping services;
- (20) Advertising services;

- (21) Auxiliary insurance services;
- (22) Computer software, including end-user licenses and customization services;
- (23) Cloud computing and data storage services;
- (24) Other computer services;
- (25) Construction services;
- (26) News agency services (excludes production costs related to news broadcasters);
- (27) Other information services;
- (28) Education services;
- (29) Architectural services;
- (30) Engineering services;
- (31) Surveying, cartography, certification, testing and technical inspection services;
- (32) Financial services;
- (33) Maintenance services;
- (34) Installation, alteration, and training services;
- (35) Legal services;
- (36) Market research services;
- (37) Public opinion polling services;
- (38) Other management, consulting, and public relations services;
- (39) Merchanting services (net receipts);
- (40) Mining services;
- (41) Operational leasing;
- (42) Trade-related services, other than merchanting services;
- (43) Artistic-related services;
- (44) Premiums paid on primary insurance;

- (45) Losses recovered on primary insurance;
- (46) Provision of customized and non-customized research and development services;
- (47) Other research and development services;
- (48) Telecommunications services;
- (49) Health services;
- (50) Heritage and recreational services;
- (51) Audiovisual and production services;
- (52) Contract manufacturing services;
- (53) Disbursements for sales promotion and representation;
- (54) Photographic services (including satellite photography services);
- (55) Space transport services;
- (56) Trade exhibition and sales convention services;
- (57) Agricultural services;
- (58) Waste treatment and depollution services; and
- (59) Other selected services n.i.e. (not included elsewhere).

(e) *Types of transactions excluded from the scope of this survey.* (1) Sales and purchases of goods. Trade in goods involves products that have a physical form, and includes payments or receipts for electricity.

(2) Sales and purchases of financial instruments, including stocks, bonds, financial derivatives, loans, mutual fund shares, and negotiable CDs. (However, securities brokerage is a service).

(3) Income on financial instruments (interest, dividends, capital gain distributions, etc).

(4) Compensation paid to, or received by, employees.

(5) Penalties and fines and gifts or grants in the form of goods and cash (sometimes called “transfers”).

(f) *Due date.* A fully completed and certified BE-120 report, or qualifying exemption claim with the determination of reporting status section completed, is due to be filed with BEA not later than June 29, 2018 (or by July 30, 2018 for respondents that use BEA’s eFile system).

**BILLING CODE 3510-06-P**

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