



International Tax Alert

Provided by the National Tax Office

June 2018

Bureau of Economic Analysis Form BE-120 Required

Due by June 29, 2018 (paper filers); July 31, 2018 (electronic filers)

The Bureau of Economic Analysis (BEA) is conducting the 2017 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-120). The survey obtains data from U.S. persons who have transactions with foreign persons in the services and intellectual property types covered by the survey. Reports on this form are required to obtain reliable and up-to-date information on intellectual property and services transactions between the United States and foreign persons. The information collected will be used to help support U.S. international economic policy and to analyze the impact of that policy and the policies of foreign countries on intellectual trade in services and intellectual property.

Basic requirement - A BE-120 survey is required of each U.S. person with 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. Transactions to report generally include:

- Transactions between your consolidated domestic U.S. operations and all foreign persons, regardless of affiliation, including intercompany transactions that you may not consider transactions under global consolidation
- Services performed on a cross-border basis, wherein the service is performed remotely by internet, email, telephone, postal service, etc.
- Services performed in person, wherein the service is performed for, or by, an individual temporarily traveling abroad
- Sales and purchases of rights to use or distribute intellectual property, as well as outright sales or purchases of intellectual property such as patents, copyrights, trademarks, etc.

Any U.S. person that did not have transactions in the covered services or intellectual property is required to complete through page 8, if notified by BEA about this survey. Because of the thresholds applying separately to sales and purchases, reporting requirements may apply only to sales, purchases, or to both.

Due date - A fully completed and certified BE-120 report is due to be filed with BEA no later than June 29, 2018, (or by July 30, 2018, for respondents that use BEA's eFile system).

Extension - A written request for an extension will be considered if it is received at least 15 days before the due date. BEA will provide a written response to such a request. Requests for extensions may also be sent via email to BE120extension@bea.gov. Persons who fail to report may be subject to a civil penalty of not less than \$4,454, and not more than \$44,539, and to injunctive relief commanding such person to comply, or both.

Consider using one of the following methods for filing:

(1) Electronic filing is available at www.bea.gov/efile; (2) surveys can be faxed to (301)278-9507; (3) surveys can be mailed to the address below:

The Bureau of Economic Analysis
Balance of Payments Division, BE-50 (SSB)
4600 Silver Hill Rd.
Suitland, MD 20746

If you have any questions, please contact your tax advisor or:

Kellie Becker

877-622-2257, Ext. 64904

kellie.becker@plantemoran.com

Carla Smaston

877-622-2257, Ext. 33446

carla.smaston@plantemoran.com

Robert Malmstadt

877-622-2257, Ext. 34148

robert.malmstadt@plantemoran.com

The information provided in this alert is only a general summary and is being distributed with the understanding that Plante & Moran, PLLC, is not rendering legal, tax, accounting, or other professional advice, position, or opinions on specific facts or matters and, accordingly, assumes no liability whatsoever in connection with its use.