

## **New Statistics on U.S. Resident Special Purpose Entities in the International Investment Position Accounts**

**December 30, 2021**

With the December 30, 2021, release of the U.S. International Investment Position (IIP) Accounts, the U.S. Bureau of Economic Analysis (BEA) introduced a new IIP table—[table 2.2](#)—that features annual statistics on U.S. resident special purpose entities (SPEs), which are U.S. legal entities with little or no employment or physical presence. IIP table 2.2 presents U.S. direct investment positions in U.S. resident SPEs. This new table, along with [two new tables](#) that were introduced with the December 21, 2021, [release of the International Transactions Accounts](#), fulfills a commitment to the [International Monetary Fund Task Force on Special Purpose Entities \(TFSPE\)](#) to release statistics on resident SPEs by yearend 2021.

Multinational enterprises increasingly set up complex global structures to maximize their worldwide profits. These structures include SPEs that can be set up to take advantage of different tax or regulatory regimes. The increased prevalence of SPEs heightens the need for separate statistics on their activities for analysis and for improved interpretability of macroeconomic statistics.

BEA's statistics on SPEs are compiled using its surveys of direct investment. Financial and operating data reported in the Annual and Benchmark Surveys of Foreign Direct Investment in the United States are used to identify SPEs in the Quarterly Survey of Foreign Direct Investment in the United States. Based on TFSPE guidelines, BEA identifies entities as SPEs using the following criteria:<sup>1</sup>

- Majority-owned by their foreign parent(s)
- Zero to five employees
- Less than \$1 million of gross property, plant, and equipment
- Less than 10 percent of total sales to U.S. customers

For 2020, U.S. resident SPEs accounted for \$491.4 billion, or 4.1 percent, of U.S. direct investment liabilities (IIP table 2.2, line 1).

In March 2022, IIP table 2.2 will be updated and published as an addendum to the current tables in BEA's [Interactive Data Application](#). In June 2022, the statistics will be updated and

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<sup>1</sup> BEA operationalized TFSPE's "little or no physical presence" and "transact almost entirely with nonresidents" criteria with thresholds of less than \$1 million of property, plant, and equipment and 10 percent of sales to local parties. These thresholds were tested for sensitivity, and changes to them did not affect the results.

incorporated into the standard presentation of the IIP in the Interactive Data Application and in BEA's [Data Application Programming Interface](#). In June 2022, BEA also plans to release statistics on nonresident SPEs—that is, foreign SPEs of U.S. multinational enterprises.

Additional information will be available in a preview article of BEA's annual update of the International Economic Accounts in the April 2022 [Survey of Current Business](#). BEA's [U.S. International Economic Accounts: Concepts and Methods](#) will also be updated in June 2022 with the major concepts and estimation methods used to produce these statistics.