

# Investment Management Alert

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## Compliance Reminder: BE-180 Survey of Cross-Border Financial Services Transactions

September 29, 2020

U.S. persons who provided or received any financial services, such as investment advisory services, fund management or brokerage services,<sup>1</sup> to or from non-U.S. persons during 2019 (“Reporters”) must file a Form BE-180 report (the “Form”) with the Bureau of Economic Analysis (BEA).<sup>2</sup> The Form is due by October 30, 2020, if filing using the BEA’s e-filing system. U.S. persons filing in paper must file or request an extension by September 30, 2020. Official BE-180 report forms, instructions, and answers to frequently asked questions can be found on the BEA website at <http://www.bea.gov/ssb/be180/>.

### Content of Report

The Form collects data regarding the fees<sup>3</sup> received (referred to in the Form as “sales”) and/or paid (referred to in the Form as “purchases”) in 2019 regarding any covered financial services between a U.S. person and a non-U.S. person. For example, a U.S.-person investment manager that collected fees for advisory services provided to a non-U.S.-person master fund would be required to report all fees and incentive compensation it earned in 2019 from that master fund in its Form BE-180.

Any U.S. reporter whose total sales to, or purchases from, non-U.S. persons of covered services exceeded \$3 million for its 2019 fiscal year on an accrual basis is required to complete the entire Form, which includes providing data on total sales and/or total purchases of each of the covered types of services transactions and disaggregation of the totals by country and by relationship to the non-U.S. client or service provider (non-U.S. affiliate, non-U.S. parent group or unaffiliated). Reporters who report total sales and/or total purchases of \$3 million or greater must also report the percentage of those services performed or received remotely via Internet, email, text, telephone or other means. Any U.S. person whose combined sales to or purchases from non-U.S. persons of covered services were \$3 million or less for its 2019 fiscal year is only required to complete the first part of the Form, providing only the total sales and/or total purchases for each type of transaction in which they engaged.

### Contact Information

If you have any questions regarding this alert, please contact the Akin Gump lawyer with whom you usually work or

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## Filing

The BEA allows filing by mail or electronically on the BEA website. U.S. persons who receive a BE-180 survey notification letter from the BEA but are not subject to the BE-180 reporting requirements must still file a notice of exemption. Requests for an extension of the reporting deadline, if provided in writing, may be considered if received by September 30, 2020, at [be-180extension@bea.gov](mailto:be-180extension@bea.gov). Only one Form is required per consolidated U.S. entity.<sup>4</sup>

## Confidentiality

Information submitted to the BEA pursuant to the BE-180 report may be used only for analytical and statistical purposes. Without a Reporter's prior written permission, the information filed in any Form cannot be presented in a manner that allows it to be individually identified. Furthermore, any response to the Form BE-180 cannot be used for purposes of taxation, investigation or regulation.

<sup>1</sup> The BEA defines financial services to include, among others, the following types of financial services transactions (whether sales or purchases) between U.S. financial services companies and foreign persons: (i) brokerage services related to equity transactions and other brokerage services; (ii) underwriting and private placement services; (iii) financial management services; (iv) credit-related services (except credit card services); (v) credit card services; (vi) financial advisory and custody services; (vii) securities lending services; (viii) electronic funds transfer services; and (ix) other financial services.

<sup>2</sup> Form BE-180 is a benchmark survey with a five-year cycle, but the BEA may use the responses to Form BE-180 as a basis to require filers to complete additional forms in the interim. For example, U.S. financial service providers may be required to file Form BE-185 on a quarterly basis if requested by the BEA.

<sup>3</sup> The Form defines fees broadly to include incentive fees and allocations, among others.

<sup>4</sup> The "consolidated U.S. domestic business" that must file a Form BE-180 is a U.S. entity without a more than 50 percent parent, together with all U.S. subsidiaries that the U.S. entity owns more than 50 percent of the voting securities (and continuing down the chain of U.S. majority-owned subsidiaries). For example, per BEA oral guidance, a Delaware general partner of a Delaware limited partnership fund (and any U.S. subsidiary special purpose vehicles of the fund) would form one consolidated U.S. business enterprise that would be required to file a Form BE-180.

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