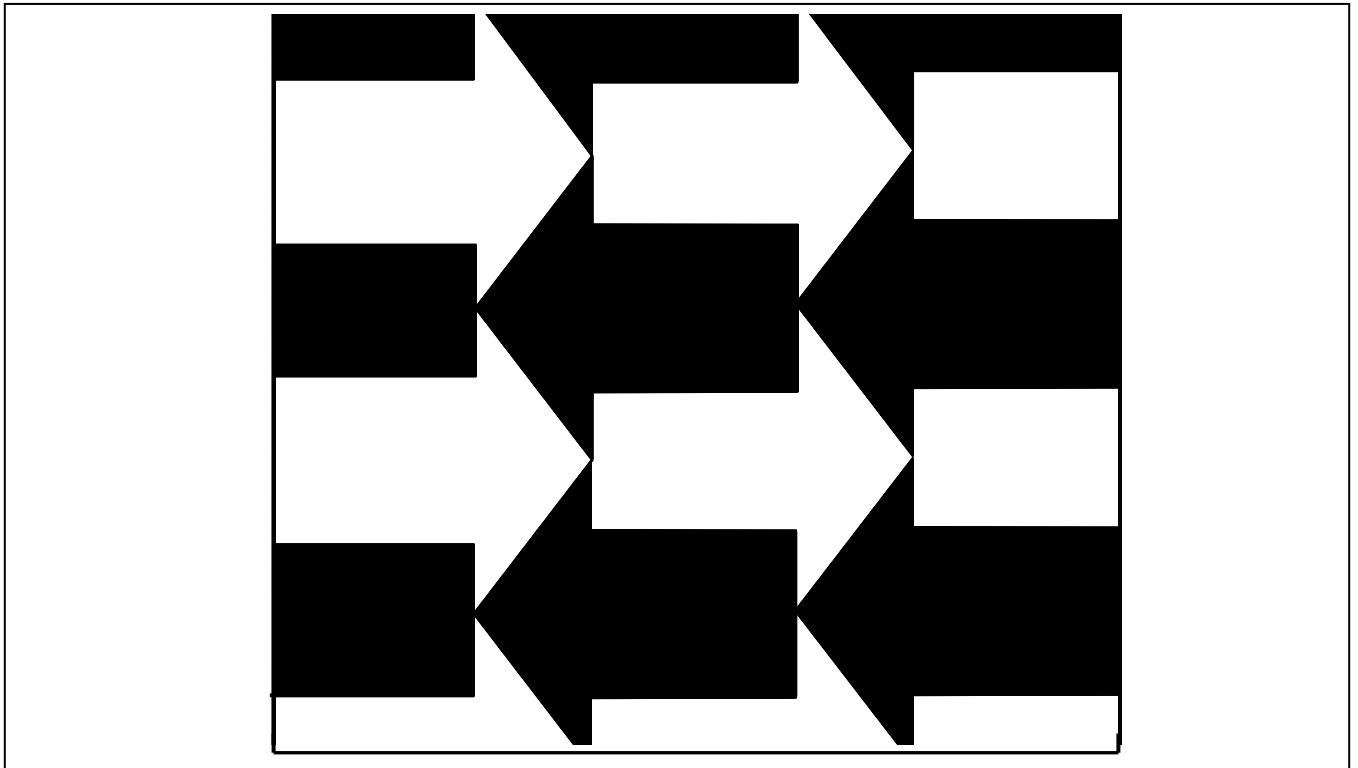




Reporting Guide for Balance of Payments Questionnaires



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Specific inquiries about this guide and related statistics or services should be directed to: Balance of Payments Division, Statistics Canada, Ottawa, Ontario, K1A 0T6 (telephone toll free: 1-866-765-8143).

How to obtain more information...

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National inquiries line	1 800 263-1136
National telecommunications device for the hearing impaired	1 800 363-7629
Depository Services Program inquiries	1 800 700-1033
Fax line for Depository Services Program	1 800 889-9734
E-mail inquiries	infostats@statcan.ca
Web site	www.statcan.ca

This guide is also available in electronic format on the Statistics Canada Internet site to obtain a copy, visit our Web site at www.statcan.ca, and select Products and Services.

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The guide was drafted by Margaret Côté. Revised by Frank Chow, Colleen Cardillo and Rick Murat January 2000

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REPORTING GUIDE FOR BALANCE OF PAYMENTS QUESTIONNAIRES

PART 1:- GENERAL

Authority

The quarterly and annual surveys of the Balance of Payments Division are conducted under the authority of the *Statistics Act*, Revised Statutes of Canada, 1985, Chapter S19. Completion of these questionnaires is a legal requirement under the *Statistics Act*.

Confidentiality

Statistics Canada is prohibited by law from publishing any statistics, which would divulge information, obtained from a survey that relates to any identifiable business without the written consent of that business. The data reported in these surveys will be treated in confidence, used for statistical purposes and published in aggregate form only. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation.

Purpose of the Surveys

The data reported in the Balance of Payments surveys are used to prepare statements produce statistics on Canada's balance of international payments and investment position as well as an essential component in other System of National Accounts products. These are key economic measures used by departments of the Government of Canada in the setting up policies (e.g. interest rates, exchange rates), of interest and exchange rates by policy-making departments of the Federal and provincial governments, industry associations, financial institutions and international agencies. Other users include investment dealers, foreign embassies, business planners, market researchers, and the academic community.

Timeliness of the Statistics

For the quarterly surveys, such as the BP-21A survey, a completed copy of the questionnaire should be returned within three weeks of receipt.

For the annual surveys, such as the BP-52 survey, a completed copy of the questionnaire should be returned within four weeks of receipt.

Your co-operation is requested asked in responding to these surveys on time a timely basis so as to avoid delays in the release of the statistics.

Reporting Entity

The Canadian parent should provide a consolidated report including itself and all of its Canadian subsidiaries. If the reporting entity is surveyed with a BP-53 (Structure of Canadian companies in the reporting enterprise), please use it to explain the accounting method used for subsidiaries and associates.

Foreign Parent Corporations/Controlling Shareholders

This is defined as being the shareholders, which are capable of exercising control of the reporting entity through ownership of securities or by other means. **Include** foreign related companies, which are controlled by substantially, the same shareholders or group of shareholders.

Foreign Subsidiaries and Associates

This is defined as being those companies in which the reporting entity (directly or indirectly through other subsidiaries) has ownership interest of at least 10% of total shares. A subsidiary is a company in which the reporting entity owns a majority (more than 50%) of the voting shares. An associate is a company in which the reporting entity owns between 10% and 50% of the voting rights. Another related company includes companies which have the same parent as the reporting entity but in which the reporting entity holds no direct investment interest. **For the purpose of Balance of Payments reporting, another related company another related company is not an affiliate and should be included in Foreign Parent Corporations/Controlling Shareholders.**

Direct Investors

These are shareholders (residents of Canada and non-residents) that own 10% or more of the company's equity. These principal investors in the company could be individuals or public and private enterprises, who possess significant enough investment in the company to influence the management of the company. In the majority of cases, direct investors would be parent corporations or controlling shareholders of the company.

Foreign Direct Investment

Foreign direct investment represents investment by foreign investors, who own 10% or more of the company's equity or sufficient investment in the company to play a role in its management. These investors, referred to as foreign direct investors, would be investors from other countries such as corporations, unincorporated entities and individuals and would be recognized as foreign parent corporations and/or foreign controlling shareholders.

Portfolio Investors

Portfolio investors may be shareholders or holders of debt of the company. Unlike direct investors, these are passive investors that do not have a voice in the management of the enterprise. The investors and the enterprise are not affiliated nor controlled by substantially the same shareholders or group of shareholders. On the BP-52 questionnaire entries for these investors would fall under *other investors* and on the BP-21 under *other non-residents*.

Foreign Portfolio Investment

Foreign portfolio investment represents investment by foreign investors, individuals and corporations, who are passive investors in the company. The investment in equity or debt of the company does not provide the non-resident investors with the ability to influence the management of the company, i.e. not foreign direct investors. These investors are normally identified as foreign portfolio investors. A foreign portfolio investor could be a holder of the common or preferred shares of the company. Foreign portfolio investors may also be providers of

loans or debt capital to the company, such as foreign banks, pension funds, mutual funds, financial institutions, etc.

Long-Term Investment

Include as long-term investment all items intended or likely to remain outstanding for more than one year from the date incurred. If both increases and decreases in claims receipt and payment transactions with a particular country occurred during the year, please report both amounts rather than a net amount.

Currency Details

Where applicable please use the country-coding list provided to identify currency of payment for long-term liabilities; report all values in **thousands of Canadian dollars**.

Geographical Details

Please use the country-coding list provided to identify the foreign country with which the transactions occur and/or in which shares or liabilities are held. When the geographical distribution is not available, please estimate. Note that each country code applies to direct and other investors.

Should you need any clarification regarding reporting, please call our contact telephone number listed under "Filing of this questionnaire Reports" on the front m page of each questionnaire.

STATISTICAL RESULTS/ BALANCE OF PAYMENTS PUBLICATIONS

The Balance of Payments qQuestionnaires are used to compile aggregates, which are published in the following publications:

Canada's International Transactions in Securities,
monthly, Cat. 67-002.

Canada's Balance of International Payments,
quarterly, Cat. 67-001.

Canada's International Transactions in Services,
annual, Cat. 67-203.

Canada's International Investment Position,
annual, Cat. 67-202.

Canada's Balance of International Payments Historical Statistics
1926-1990, Cat. 67-508

These publications may be obtained/purchased through the local Statistics Canada office or by mail order to:

Statistics Canada
Statistical Reference Centre (National Capital Region)
R.H. Coats Building, Lobby
Tunney's Pasture

Publication Sales

Holland Avenue
Ottawa, Ontario
K1A 0T6

For further information, please call:

Toll-free number: 1-800-263-1136

Local calls: (613) 951-8116

Fax number: (613) 951-0581

E-mail: infostats@statcan.ca

PART 2: OVERVIEW OF QUESTIONNAIRES

The purpose of these questionnaires of the Balance of Payments and Financial Flows Division of Statistics Canada is to gather data on international transactions from business entities in Canada. All of these questionnaires, except the BP-22, are intended largely for **companies incorporated in Canada**. The BP-22 questionnaire covers the operations and investments of foreign companies in Canada (branches). The Balance of Payments questionnaires should be completed from the point of view of the Canadian business entities.

Who Receives These Questionnaires?

The larger (multi-national) enterprises tend to receive most of the Balance of Payments forms because these companies generally have a multitude of international transactions.

Some enterprises may receive a BP-21 and a BP-52. These are enterprises, which may have some, or all of their its shares or long-term debt held outside Canada.

Some enterprises may receive a BP-21 and a BP-59. These are enterprises which have capital invested abroad.

Some companies may receive only a BP-21 or BP-21S. These companies may be consolidated in the reports of the parent company for all of the other Balance of Payments questionnaires but because some of the detail required for certain accounts is not readily available at the consolidated level, these subsidiaries are surveyed separately. Also, there are companies, which may have international transactions, which are restricted, to short-term assets and liabilities, i.e. trade receivables or trade payables, with non-residents or to payments for services rendered by foreign companies.

BP-21: Transactions Between Canada and Other Countries (Annual)

This questionnaire is used to gather information on all transactions with non-residents such as investment capital, short-term receivables and payables, investment income, and business and commercial miscellaneous services during a twelve-month period, preferably a calendar year.

This questionnaire should be completed on a Canadian consolidation basis. If this is not available or appropriate, please list on the back of the form in the space provided the Canadian subsidiaries, which **have not been included**, as they may need to be surveyed separately.

For guidance in completing this form please refer to page 7.

BP-21A: Transactions between Canada and Other Countries (Quarterly)

This questionnaire is a quarterly version of the annual BP-21 questionnaire. The quarterly questionnaire is sent to a sample of companies with the largest international transactions. The long-term capital transactions reported in items 1 to 5 and 6 to 9 should total be equal to the amounts reported on the annual BP-21 unless there are some year-end adjustments or revisions. Similarly, the quarterly investment income and business service transactions should agree in total with the amounts recorded on the BP-21. The short-term positions should also correspond to the amounts reported on the BP-21.

For guidance in completing this form please refer to page 7.

BP-21S: International Transactions in Commercial Services (Annual)

This questionnaire requests details of business and commercial miscellaneous services and charges with non-residents. The back of this form It gives an indication of the range of services and charges for which information is requested. For companies, which receive a BP-21, the aggregated data on the BP-21S should agree to the control, totals submitted on the BP-21 in items 32 and 34.

For guidance in completing this form please refer to page 17.

BP-21SQ: International Transactions in Commercial Services (Quarterly)

This questionnaire is a condensed quarterly version of the annual BP-21S questionnaire. This questionnaire is sent to a sample of companies with transactions in services and who do not receive the quarterly BP-21A questionnaire. The quarterly business services transactions should agree with the amounts recorded on the BP-21S and the BP-21.

For guidance in completing this form please refer to page 17.

BP-22: Investment in Canada by Non-Canadian Corporations (Annual)

BP-22A: Investment in Canada by Non-Canadian Corporations (Quarterly)

These forms are intended to cover the activities of foreign entities in Canada, which are not conducted through incorporated Canadian companies. In most cases this form applies to Canadian branches of foreign corporations.

For guidance in completing this form please refer to page 18.

BP-52: Geographical Distribution of Capital (Annual)

This questionnaire is used to gather information on measure the geographical distribution of ownership of the long-term capital invested in the Canadian reporting entity. The schedule should be completed on a Canadian consolidation basis reflecting the long-term debt and equity of the parent and its Canadian subsidiaries. If for some reason a full Canadian consolidation is not available, the Canadian subsidiaries may be surveyed separately.

For guidance in completing this form please refer to page 20.

BP-53: Structure of Canadian Companies in the Reporting Enterprise (Annual)

This questionnaire is used to establish which Canadian subsidiaries have been consolidated (part 1) in the **BP-21, BP-21A, BP-21S, BP-21SQ, BP-52 and BP-59** questionnaires, as well as the total value of investment in Canadian subsidiaries and associates (part 2) which are not fully-consolidated. Please note that this questionnaire is not intended to be a company profile such as that conducted by the Business Register Division of Statistics Canada.

For guidance in completing this form please refer to page 25.

BP-59: Capital Invested Abroad by Canadian Enterprises (Annual)

This questionnaire asks for details on Canadian investments in foreign subsidiaries, associates, branches and joint ventures. The report should cover all investments abroad by the reporting parent company and/or its fully consolidated Canadian subsidiaries as reported in Item section 11 of the BP-52 (if applicable).

The financial statements (balance sheet, income statement, statement of changes in financial position and statement of retained earnings) with the explanatory notes should be provided for each foreign subsidiary associate, joint venture and branch reported on this questionnaire.

For guidance in completing this form please refer to page 26.

BP-59S: Capital Invested in Secondary Foreign Companies by Canadian Enterprises Supplementary Schedule of Capital Invested Abroad by Canadian Enterprises (Annual)

This questionnaire asks for details on foreign investments by primary foreign subsidiaries in secondary foreign subsidiaries and associates located in other foreign countries. It applies only to reporting entities that complete a BP-59 questionnaire.

This questionnaire is intended for primary foreign subsidiaries, which are passive holding companies set-up in a foreign country for such reasons as tax, etc., with little assets and operating activity in that foreign country. The purpose of the BP59S is to collect information on the

foreign countries and industries where the Canadian capital has been ultimately invested, i.e. secondary subsidiaries and associates located in other foreign countries, by these primary foreign subsidiaries.

The financial statements plus the explanatory notes should also be provided for each secondary foreign subsidiary and associate.

For guidance in completing this form please refer to page 26.

BP-59/59S: Foreign Subsidiary Activity Schedule

This questionnaire is provided for selected foreign subsidiaries. It contains questions on sales activities by industry, destination of sales and financial information of all foreign subsidiaries of the Canadian reporting entity.

For guidance in completing this form please refer to page 30.

PART 3:- DETAILED GUIDE TO INDIVIDUAL QUESTIONNAIRES

BP-21: Transactions between Canada and Other Countries (annual)

BP-21A: Transactions between Canada and Other Countries (quarterly)

The BP-21A is a quarterly version of the BP-21, and as such, the same instructions apply. The BP-21 questionnaire should cover all of your enterprise's transactions with non-residents. The long-term capital transactions are covered on page 2, while the short-term positions with non-residents are to be reported on page 3. Investment income and business service transactions with residents of other countries are covered on page 4. The only exclusions are merchandise exports

and imports trade and freight and shipping transactions, which are being collected through other sources.

Cover Page

Period end to which this report relates (Month/Year)

Please report as at the calendar year ended December 31. If this is not practicable, please use fiscal year period closest to December 31 and specify in Item section 0.

Section 1

PAGE 2

Long-term Capital Transactions With Non-Residents

Transactions affecting long-term non-Canadian investment in the reporting entity evidenced by the issue of stocks, bonds, and other liabilities.

1. Investment by Foreign Parent Corporations/Controlling Shareholders

This item covers is applicable if the reporting entity had issued or redeemed the issuance

or redemption of stocks, bonds, or other liabilities to (from) non-resident parent corporations, related corporations, or any related shareholders by the reporting entity. An entry in this item would also require a corresponding increase (decrease) on the BP-52 (if applicable) in the bonds, other long-term liabilities, or shareholders' equity item under the column of **direct investors**. Please identify every foreign country involved. Transactions with involving non-related companies, financial institutions, and individuals should be excluded (see items 3, 4 and 5).

Examples

HIJ Canada Inc. issues \$10,000,000.00 worth of stock. A Canadian company purchases \$5,000,000.00 and \$5,000,000.00 is purchased by HIJ Germany Inc. Since the data is to be reported in thousands of dollars the entry would be a \$5,000 increase in investment (receipts) with country code DEU.

HIJ Canada Inc. had a loan outstanding (\$7,000,000.00) to its parent corporation HIJ Italy Inc. This year the loan was repaid. The entry would be a \$7,000 decrease (payments) with country code ITA.

2. Simultaneous Reinvestment

This item again applies to non-resident parent corporations, related companies, and any related shareholders. An entry in this item requires a corresponding entry in section 3 and in section 8 of the BP52.

Examples

HIJ Canada Inc. declares a stock dividend, all of which accrues to the parent corporation HIJ Italy Inc. HIJ Italy Inc. reinvests 100% of the dividend. The entry in this area would be the total dividend as an increase in investment (receipts), country code ITA. On page 4 item 35ii,) the amount of tax withheld, the net amount accrued and country code ITA would be recorded. Also, the box indicating a **stock** dividend would be checked.

HIJ Canada Inc. has an outstanding loan of \$4,000,000.00 from a related company in Germany. The applicable interest rate is 10%. HIJ Canada Inc. accrues the interest expense to HIJ Germany although it has not been remitted to paid out by the parent company. The entry in this item would be the amount of interest REINVESTED and the country code DEU .(item 2ii page 2). On page 4, item 33ii would be the amount of tax withheld, the net amount accrued and country code DEU.

3. Investment in Securities by Other Non-Residents

This item refers to non-resident portfolio investment in the reporting entity through the issue or redemption of stocks or bonds by the reporting entity.

An entry in this item would require a corresponding increase (decrease) in the position reported on the BP-52 (if applicable) in the bonds or share capital category under the **other investor** columns.

Excluded from this item are any transactions with non-resident related companies, such as parent corporations, , associated companies, and individual related shareholders (see item 1).

Examples

HIJ Canada Inc. issues \$10,000,000.00 worth of stock. The Canadian parent corporation purchases 90% and portfolio investors in Sweden purchase the remaining 10%. The entry in this area would be \$1,000 increase (receipt) with country code SWE.

HIJ Canada Inc. redeems \$2,000,000.00 worth of bonds that are currently held by a non-associated company in Japan. The entry in this area would be \$2,000 decrease (payment) with country code JPN.

4. Loans From Other Non-Residents

This item refers to loans from non-resident portfolio lenders only. Included in this category are borrowings from non-resident banks, other financial institutions and non-associated companies. Excluded are any transactions with non-resident parent corporations, related companies, or any related shareholders.

- i) BANKS would include all borrowings from foreign banks. It would **not** include foreign mortgages, which should be reported in item 4ii). For When reporting syndicated bank loans it is important to specify all the foreign countries involved, not just the lead banks. Canadian subsidiaries of foreign banks are resident banks and should be excluded.
- ii) OTHER would include foreign mortgages, foreign capital leases, foreign government loans and other foreign borrowings not included elsewhere.

5. Other Transactions With Non-Residents

This item deals with other liabilities to non-residents that are not reported in items 1, 2, 3 or 4. Please describe the nature of the transaction.

Transactions affecting long-term investment abroad by the Canadian reporting entity

6. Investment in branches, associates, subsidiaries, and joint ventures abroad evidenced by the issue of stocks, bonds and other claims

This item applies when the reporting entity has invested in share capital, bonds, or long-term loans of foreign subsidiaries, associates, joint ventures, or branches. An entry in this item would require a corresponding change increase(decrease) on the BP-59 (if applicable). However, the amount reported on the BP-21 may differ slightly from the

amount reported on the BP-59 because the **transaction** is calculated based on the exchange rate in effect at the time of the transaction whereas the **position** is calculated based on the exchange rate in effect at the fiscal year-end. Please refer to the BP-59 section of the guide for more clarification. For portfolio investment, please refer to item 8 below.

Examples

HIJ Canada Inc. invests \$20,000,000.00 to acquire for a 60% interest in a new company in Costa Rica on December 31. \$5,000,000.00 is the cost of the share capital and \$15,000,000.00 is allocated to contributed surplus. The entry on the BP-21 would be an increase (payment) of \$20,000, circle 32 for subsidiary, country code CRI. The entry on the BP-59 would be in the subsidiary section (Type1);. itIt would consist of the name of the subsidiary, country code CRI, the industry in which it is involved, the number of employees, the exchange rate used to convert, 60% of common stock issue held, common stock value of \$5,000 in column 1, capital surplus value of \$15,000 in column 4, \$20,000 book value in column 6, \$33,333 total long-term value in column 8 (assuming the other partner invested his 40% share an equal amount) and \$20,000 carrying value in column 14 9.

HIJ Canada Inc. has a loan receivable from a subsidiary in Spain of \$12,000,000.00. The subsidiary repays 50% of the loan. The entry on the BP-21 would be a decrease (receipt) of \$6,000, circle 3 for subsidiary, country code ESP. The entry on the BP-59 would consist of a corresponding change (decrease) in type 1, columns 5, 6, 8 and 14 9.

7. Simultaneous reinvestment

Included in this item would be dividends or interest received from foreign investments during the current period and simultaneously reinvested in the foreign concern. An amount reported in this item,) would trigger an entry in section 3 and on the BP-59 in column 11 (if dividends).

Example

The reporting entity receives a dividend from a wholly- owned subsidiary in Spain and reinvests the dividend. The entry in item 7i) should be the amount of the dividend. The entry on page 4, item 29i) should be the amount of the dividend reported net and stating the amount of tax withheld, with country code ESP. There are two possible entries on the BP-59. First the reinvestment should be reflected in either column 1 or 4. Also required is an entry in column 11 and should be the total amount of the dividend declared by the foreign concern.

8. Investment in other non-Canadian foreign securities carried out through investment firms located abroad.

This item deals with transactions involving portfolio investment abroad. **Do not include** security transactions that have been conducted by investment firms in Canada, as these

investment firms will include such transactions in our survey of these Canadian companies their survey. For transactions involving direct investment, such as investments in foreign subsidiaries or associates, please refer to item 6 above.

9. Other transactions with non-residents

This item deals with transactions involving investments abroad that have not been reported in items 6, 7 or 8. Please describe the nature of the transaction.

Section 2

PAGE 3

Short-term Assets and Liabilities With Non-Residents

The amounts reported under the previous year's column of the previous year-end should agree with to the amounts reported on the previous year's form unless some amounts were revised. If revisions were applied, please indicate.

If the individual country details codes applicable to a certain item are too numerous to list in the space provided, please attach a separate sheet.

Ensure that all of the short-term balances with non-residents are included for the fully consolidated Canadian subsidiaries as reported in Part 1 of the BP-53 (if applicable).

Year-end balances should be expressed in Canadian dollars using the exchange rate at the balance sheet date.

Short-term assets with non-residents

10. Cash on hand and demand deposits

Cash items and deposit balances at foreign banks and other institutions abroad should be valued at their face value at the balance sheet date. Interest income relating to this item should be included in item 30i) on page 4. Excluded from this item would be term deposits (see item 14) and credit balances (see item 20). **Note: The above item is not collected on the BP-21A.**

Short-term investments, loans and advances to:

11. Foreign parent corporations/controlling shareholders should include related companies such as companies under common ownership. Interest income relating to this item should be included in item 30ii) on page 4.

12. Foreign subsidiaries and associates should include all foreign concerns in which the reporting entity holds at least a 10% interest. The amount reported should be included in the amount reported in column 7 of the BP-59. Interest income relating to this item should be included in item 30iii) on page 4. Foreign cCompanies under common

ownership and in which the reporting entity holds **no** investment should be included in item 11.

13. Other non-residents should include non-related companies and individuals. Interest income relating to this item should be included in item 30iv) on page 4.

14. Term deposits at foreign banks and other institutions abroad
Interest income relating to this item should be included in item 30iv) on page 4.

15. Other short-term investments abroad
Include balances for short-term investments that have not been included in items 10 to 14.

Trade receivables with:

16. Foreign parent corporations/controlling shareholders should include related companies such as companies under common ownership. Include **only** trade receivables. Short-term investments, loans and advances should be included in item 11.

17. Foreign subsidiaries and associates should include all foreign concerns in which the reporting entity holds at least a 10% interest. Include **only** trade receivables. Short term investments, loans and advances should be included in item 12. Companies under common ownership and in which the reporting entity holds **no** investment should be included in item 16.

18. Other non-residents should include non-related foreign companies and individuals. Include **only** trade receivables. Short-term investments, loans and advances should be included in item 13.

19. Non-trade receivables with non-residents

Include short-term balances that have not been included in items 10 to 18. This item would cover receivables of a non-trade nature with non-related companies and individuals.

Short-term liabilities to non-residents

Short-term borrowing and over-drafts from:

20. Banks abroad should include short-term borrowing only from banks resident in other countries. Please note that Long-term bank borrowing should be reported in section 1 of this questionnaire and in section 1 of the BP-52. Interest expense on all foreign bank borrowings should be reported in item 33i) on the BP-21.

21. Foreign parent corporations/controlling shareholders should include related companies such as companies under common ownership. Long-term liabilities of this nature should be reported in section 1 of this questionnaire and

section 3 of the BP-52. Interest expense relating to all inter-company liabilities with foreign concerns should be reported in item 33ii) of the BP-21.

22. Foreign subsidiaries and associates should include all foreign concerns in which the reporting entity holds at least a 10% interest. This item should be included in the amount reported in column 7 on the BP-59. Interest expense relating to this item should be reported in item 33iv) of the BP-21. Companies under common ownership and in which the reporting entity holds **no** investment should be treated as related companies and reported in item 21.

Other non-residents, in the form of :

23. Commercial paper should include only short-term issues. Please note that Long-term issues should be included in section 1 of this questionnaire and section 1 or 3 of the BP-52.
24. Other should include short-term borrowings not included elsewhere. Please provide a description of these items.

Trade payables to:

25. Foreign parent corporations /controlling shareholders should include related companies such as companies under common ownership. Include **only** trade payables. Short-term borrowings should be included in item 21.
26. Foreign subsidiaries and associates should include all foreign concerns in which the reporting entity holds at least a 10% interest. Include **only** trade payables. Short-term borrowings should be included in item 22. Companies under common ownership and in which the reporting entity holds **no** investment should be included in item 25.
27. Other non-residents should include foreign non-related companies and individuals. Include **only** trade payables. Short-term borrowings should be included in item 23 or 24.
28. Non-trade payables with non-residents should include items such as accrued interest payable on short-term or long-term debt and short-term leases. Include short-term balances that have not been included in items 20 to 27. This item should cover payables of a non-trade nature with non-related companies and individuals. Please provide a description of the items.

Section 3

PAGE 4

Selected Income and Retained Earnings Accounts with Non-Residents

Please report amounts remitted or charged to accounts, settled by issue of stock, notes, etc. to creditor, **net of withholding tax**. The amounts not paid or received should be reported in the short-term accounts on page 3.

Receipts from non-residents (Received or debited to accounts)

29. Dividends from:

- i) Foreign subsidiaries and associates should include all subsidiaries and associates, which have been reported on the BP-59. Please report only the portion accruing to the Canadian reporting entity and not the entire dividend as reported in column 11 of the BP-59 (unless the reporting entity holds 100%).
- ii) Other foreign investments should include dividends received from other sources, largely portfolio in nature.

30. Interest income on:

- i) Bank deposits abroad should include interest income on short-term and long-term deposits.
- ii) Loans to foreign parents/controlling shareholders should include related companies such as companies under common ownership.
- iii) Loans to foreign subsidiaries and associates should include companies in which the reporting entity holds at least a 10% interest. Interest income on loans to related companies such as companies under common ownership should be included in item 30ii).
- iv) Other claims abroad should include interest income not reported in items 30i) to 30iii).

For the BP-21A, only the total interest income only is required.

31. Net profit (loss) after income taxes of:

- i) Foreign branches - Profits (losses) of unincorporated branches abroad transferred to the branch control account should also be reported in item 6, page 2.
- ii) Foreign subsidiaries and associates should include all subsidiaries and associates reported on the BP-59. Please report only the equity of the Canadian reporting entity in the net profit after income taxes and not the entire amount as requested in column 10 on the BP-59 (unless the reporting entity holds 100%).

32. Business services income includes income from non-residents such as commercial, financial, professional, technical, administrative or management services; including royalties, patents, copyrights, advertising, commissions, salaries, insurance premiums and claims, computer services, and equipment rentals (except financial leases). patents, copyrights, trademarks, franchises and similar rights, other royalties, computer services, management and administrative services, research and development, consulting and other professional services, insurance premiums and claims settled, commissions, advertising and sales promotion, and equipment rentals. The total should be the same as the total revenues on Schedule A of from column 13 of the BP-21S (if applicable).

Payments to non-residents (Remitted or credited to accounts)

33. Interest expense on:

i) Bank borrowing abroad

Should include interest expense relating to short-term foreign loans reported in item 20 of this form as well as interest expense on long-term foreign balances reported in section 1 of the BP-52.

For syndicated bank loans, please report the interest expense for all the foreign countries and not just the countries of the lead banks.

Interest expense accrued but not yet paid should also be included in item 20 of this form.

ii) Borrowing from foreign parents/controlling shareholders

Should include related companies such as companies under common ownership. Outstanding balances of short-term foreign loans relating to this item should be reported on line 21 of this form, whereas outstanding balances of long-term foreign loans should be reported in section 3 of the BP-52.

Interest expense accrued but not yet paid should also be included in item 21.

iii) Bonds and debentures held abroad

Should include interest expense on all bonds and debentures held abroad **except** those held by foreign parents or controlling shareholders. Interest expense relating to these latter issues should be reported in item 33ii). Any outstanding balances of bonds and debentures should be reported in section 2 of the BP-52. Interest expense accrued but not yet paid should also be included in item 28 of the BP-21 **except** for interest payable to foreign parent/controlling shareholders. This amount should be included in item 21.

iv) Other liabilities abroad

Should include interest expense on such items as capital leases, mortgages and loans to unrelated companies.

Any outstanding balances of short-term loans should also be included in item 24

of this form and any outstanding balances of long-term loans or mortgages should be included in section 3 of the BP-52. Interest expense accrued but not yet paid should also be included in item 28 of this form.

For the BP-21A, only the total interest expense only is required.

34. Commercial services expense Business services expense includes expenses to non-residents such as commercial, financial, professional, technical, administrative or management services; including royalties, patents, copyrights, advertising, commissions, salaries, insurance premiums and claims, computer services, and equipment rentals (except financial leases). patents, copyrights, trademarks, other royalties, franchises and similar rights, computer services, management and administrative services, research and development, consulting and other professional services, insurance premiums and claims settled, commissions, advertising and sales promotions and equipment rentals. The total should be the same as the total expenses on Schedule B from column 26 of the BP-21S (if applicable).
35. Dividends declared to non-residents should include all dividends to non-residents whether paid or accrued. The amount reported for each country code should correspond approximately to the total dividend declared times the percentage share distribution of each country as reported on the BP-52 (if applicable).

Example

There are a total of 5,000 shares outstanding of which 2,000 are held in the U.S.A. The total dividend declared is \$10,000,000.00. Payments of dividends to the U.S.A. would be reported as \$4,000 (data is to be reported in thousands of dollars). If the dividends declared to each country do not approximate the share distribution on the BP-52, perhaps the share distribution should be verified.

If there are multiple issues of common or preferred stock, please specify to which issue the dividend relates.

Section 4

Investment in Limited Partnerships and Joint Ventures in Canada

This section is to be completed by companies engaged in the mining, and petroleum and natural gas industry in Canada.

1. Report the amounts invested by non-resident limited partners in limited partnerships in which the reporting entity is the general partner. This question is intended to cover capital to be invested in Canada through limited partnerships by residents of other countries such as individuals, partnerships, corporations, estates, investment funds, pension funds, etc. Outflows of capital, representing a

disinvestment or a **return of capital**, to non-residents should also be reported. A net outflow from Canada should be reported in brackets.

2. Report the amounts invested by non-residents in joint ventures in which the reporting entity is the operator. These joint venture investments in mining, petroleum, etc. in Canada could be by such non-resident entities as corporations, individuals, estates and trusts, and investment funds. Outflows of capital, representing a disinvestment or a **return of capital**, to joint venture partners in other countries should also be included. A net outflow from Canada should be reported in brackets.

- 1.3. This item covers remittances to non-residents from investments in joint ventures and limited partnerships in which the reporting entity is respectively, the operator or general partner. These remittances represent production and revenue payments to non-residents of Canada or the **return on their investments** in joint ventures and limited partnerships

BP-21S: International Transactions in Commercial Services (annual)

Cover Page

0. Period covered end

Please report the date month and the year of the 12-month period end to which this report relates. If this is other than December of the calendar year shown on the form, please supply data for the nearest fiscal year.

Coverage

Please report all external service transactions including those financed by government in Canada (for example, by the Canadian International Development Agency) or by other sources in Canada. See page 4 of this questionnaire for a detailed description of the types of services covered on pages 2 and 3. Please use the geographical coding list to identify the country.

Page 2 and 3

International Revenues and Expenses

Schedule A - Exports of commercial services

Please report the value of services sold to customers abroad (revenues earned) for a 12 month period. Report the revenues net of withholding tax, in thousands of Canadian dollars. Attach a separate page, if necessary, to report receipts from more than four countries. Total revenues from services should equal item 32 of the BP-21 (if applicable).

Schedule B - Imports of commercial services

Please report the value of services purchased from suppliers abroad (expenses) for a 12 month period. Report the expenses paid or payable to non-residents for services net of withholding tax, in thousands of Canadian dollars. Attach a separate page, if necessary, to report expenses with more than four countries. Total expenses on imports of services should equal item 34 of the BP-21 (if applicable).

Country Code: Please refer to the enclosed coding list.

Please report the revenues from abroad for services net of withholding tax, in thousands of Canadian dollars in item 01 to 14. Attach a separate page if necessary. Report the expenses paid or payable abroad for services net of withholding tax, in thousands of Canadian dollars in items 15 to 28. Attach a separate page if necessary. The combined total of rows 13 and 14 should equal item 32 of the BP-21 (if applicable). The combined total of rows 27 and 28 should equal item 34 of the BP-21 (if applicable).

Related parties include foreign parent companies, foreign direct investors, subsidiaries, branches and other associates, including foreign companies, which are controlled by substantially, the same shareholders or group of shareholders.

BP-21SQ: International Transactions in Commercial Services (quarterly)

Calendar Quarter ending

Please report for the 3-month period ending with the month indicated.

Coverage

Please report all external service transactions including those financed by government in Canada (for example, by the Canadian International Development Agency) or by other sources in Canada. See the guide on this questionnaire for a detailed description of the types of services covered. Please use the geographical coding list to identify the country.

Total Revenues Earned

Please report the value of services sold to customers abroad (revenues earned) for the 3 month period. Report the revenues net of withholding tax, in thousands of Canadian dollars. Attach a separate page, if necessary, to report receipts from many countries.

Total Expenses Incurred

Please report the value of services purchased from suppliers abroad (expenses) for the 3 month period. Report the expenses net of withholding tax, in thousands of Canadian dollars. Attach a separate page, if necessary, to report payments to many countries. **Related foreign companies** are non-residents including parents, subsidiaries, affiliates, or other related companies or individuals. A parent company is a company which owns a majority of the voting shares of the reporting entity. A subsidiary is a company in which the reporting entity owns a majority of the voting shares. An affiliate is a company in which the reporting company owns between 10% and 50% of the voting shares. An other related company includes companies that have the same parent as the

reporting entity but in which the reporting entity has no or minimal direct investment interest.

Definitions of Services Categories

Royalties covers charges related to exclusive resource rights, rights to produce and sell commodities with one or more unique features, the use of an original literary, artistic, dramatic, or musical work and of any distinctive commercial mark secured by legal registration.

Franchises and Similar Rights covers contractual privileges, granted by an individual or corporation to another, permitting the sale of a product, use of a trade name or provision of a service within a specified territory and/or in a specified manner.

Computer Services covers advisory services, use of computer facilities, purchase and development of software, systems design, installation, testing, debugging and ongoing maintenance, documentation charges and training.

Management and Administrative Services covers charges for managerial and administrative services rendered by an individual or corporation.

Research and Development covers charges related to systematic investigations by means of experiment or analysis to achieve a scientific or commercial advance for/or through the creation of new or significantly improved products or processes.

Consulting and Professional Services covers consulting and other professional services in such areas as engineering, architecture, law, accounting, marketing, planning, taxation, finance, drilling, and development of natural and human resources.

Insurance Premiums and Claims (Settled) covers (a) insurance and/or re-insurance premium income received directly by the respondent from non-resident individuals and/or corporations, and premiums paid directly to non-resident insurers for all types of risks, (b) claims paid to the respondent by non-resident insurers and claims paid by the respondent to non-resident individuals and/or corporations, pursuant to any insurance contract entered into directly between the parties concerned.

Commissions covers financing commissions, commissions earned by wholesale merchants, agents, brokers and manufacturer's sales branches and other types of commercial commissions. Fees and commissions on stock issues, new or outstanding, are to be excluded.

Advertising and Sales Promotion covers advertising in newspapers, journals, radio, television and other media, participation in trade fairs and cost of sales promotions.

Equipment Rentals covers rentals of machinery, drilling rigs and supply vessels, tools, vehicles, aircraft, computers and similar equipment. Excludes financial leases.

BP-22: Investment in Canada by Non-Canadian Corporations (annual)

BP-22A: Investment in Canada by Non-Canadian Corporations (quarterly)

Cover Page

Indicate the principal type of activity of the company by writing the corresponding number in the box provided. Specify the period end to which this report relates. Indicate the date of incorporation of the company.

Transactions With Non-Residents Affecting Investment in Canada by Non-Canadian Corporations

Section 1

Increase in investment

1. Increase through provision of cash, etc. relates to increases only in investment from the foreign head office. Decreases should not be shown in brackets but should be reported in item 5. Please specify the country code.
2. Profits recorded in head office control account relates only to the portion of the current year's profit that has not been remitted to the foreign head office. The portion of the profit that has been remitted is to be shown in item 27. Please indicate the appropriate country code in both cases. Losses recorded in the head office control account should be shown as a bracketed number in item 6.
3. Borrowings from other non-residents should be split between foreign banks and other foreign borrowing. The outstanding balance of the loans should not be shown but rather the total increases during the year. Total decreases should be reported in item 7 and not netted against the increases.
4. Other increases in investments should be described in order to reduce further queries.

Section 2

Decrease in investment

5. Reduction of investment by head office relates only to decreases only in investment. Increases in investments should be shown in item 1. Please specify the country code.
6. Losses charged to the head office control account relates only to the current year's losses only. Profits recorded in the head office control account should be reported in item 2.
7. Repayment of borrowings from other non-residents should be split between foreign banks and other borrowing. The outstanding balance of the loans should not be shown but rather the total decreases. Total increases should be reported in item 3 and not netted against the decreases.
8. Other decreases in investment should be described in order to reduce further queries.

Section 3

Balance Sheet of Canadian Branch or Division

9. to 22. Report the values from the financial statements of the Canadian branch or division for the current and the prior period ends in thousands of Canadian dollars. Ensure that the country code is reported in items 10(ii), 19, 20, and 21.

Section 4

Selected Income Account Transactions with Non-Residents

23. to 27. Report the net amount and the tax withheld. Applicable country codes should be reported. The cCurrent year's profits in item 27 should include only those **remitted** to head office. The cCurrent year's profits reported in the head office control account should be reported in section 1 line 2.

Section 5

Investment in Limited Partnerships and Joint Ventures in Canada

This section is to be completed by companies engaged in the mining, and petroleum and natural gas industries in Canada.

1. Report the amounts invested by non-resident limited partners in limited partnerships in which the reporting entity is the general partner. This question is intended to cover capital to be invested in Canada through limited partnerships by residents of other countries such as individuals, partnerships, corporations, estates, investment funds, pension funds, etc. Outflows of capital, representing a disinvestment or a **return of capital**, to non-residents should also be reported. A net outflow from Canada should be reported in brackets.
2. Report the amounts invested by non-residents in joint ventures in which the reporting entity is the operator. These joint venture investments in mining, petroleum, etc. in Canada could be by such non-resident entities as corporations, individuals, estates and trusts, and investment funds. Outflows of capital, representing a disinvestment or a **return of capital**, to joint venture partners in other countries should also be included. A net outflow from Canada should be reported in brackets.
- 1.3. This item covers remittances to non-residents from investments in joint ventures and limited partnerships in which the reporting entity is respectively, the operator or general partner. These remittances represent production and revenue payments to non-residents of Canada or the **return on their investments** in joint ventures and limited partnership

BP-52: Geographical Distribution of Capital

Page

Date of incorporation

Please report the month and the year.

Corporate Charter

Please enter the number, which corresponds, to the reporting entity in the box provided.

Period end to which the report relates

Please report as at the calendar year ended December 31. If the calendar year-end is not practicable, please use your annual fiscal period-end closest to December 31.

Canadian address

Please provide the complete Canadian address.

Principal type of activity

Please enter the number, which corresponds to the principal activity of the reporting entity in the box provided.

Ownership of Canadian shares or debt

Please check the box provided if the reporting entity has ownership in shares or debt securities of any Canadian companies. Respondents who check this box should also be completing a BP-53 (Structure of Canadian Companies in the Reporting Enterprise), which indicates the companies that are or are not fully consolidated on the other Balance of Payments Division questionnaires.

Capital invested abroad

Please check the box provided if the reporting entity has capital invested abroad **and** complete item 11 on the back page of this report. Respondents who check this box should also be completing a BP-59 (Capital invested abroad by Canadian enterprises).

Consolidation of Canadian Subsidiaries

Pages 2 and 3

Canadian consolidation of long-term debt

The long-term debt in sections 1, 2, and 3 should be completed on a Canadian consolidation basis, including the long-term liabilities of the reporting entity and its fully consolidated Canadian subsidiaries.

The long-term debt of foreign subsidiaries and associates should be excluded.

Type of long-term liability

Most companies, which have previously reported long-term debt, will receive a pre-printed document indicating the particulars of the debt as well as the previous year-end balances. Please update the pre-print should include by providing the current year's outstanding balances as well as any other corrections.

New issues or issues omitted by mistake from previous reports questionnaires should be included on the BP-52.

Debt

Identify each issue of debt separately. Indicate if the issue has serial retirements or sinking fund provisions.

Issue Date

Report the day, the month (i.e. January = 01, December = 12) and the year of the issue.

Interest Rate

Report the interest rate of the issue in the following manner:

13%	as is	13.00
12 3/8%	as is	12.375
11 1/4%	as is	11.25

If it is a fluctuating interest rate, report the interest rate in the following manner:

LIBOR + 1/2%	as	LIBOR + 0.5 (1/2)
Prime + 1 1/4%	as	Prime + 1.25(1 1/4)
3/8% over Bank	as	Bank rate + 0.375 (3/8)

Please report any other unusual feature with respect to the interest rate of the issue, e.g. i.e. an issue where the initial interest rate changes to another predetermined rate after five years.

Maturity Date

Report the day, the month and the year of maturity of the issue.

Currency of Payment

Report the currency of issue of the debt and the exchange rate used to convert a foreign currency issue to Canadian dollars using the country-coding list to identify the currency. Even if the currency of issue has been swapped into another currency, continue to report the original currency of issue.

Check currency/interest rate swaps

Enter a check mark if the currency and/or interest rate of issue has been swapped.
as to currency and/or interest rate.

Amounts outstanding

Report the amounts outstanding in thousands of Canadian dollars at the current year-end and at the previous year-end and at the current year-end; the amounts should be reported net of serial retirements and /or sinking funds.

Ensure that these columns are reported correctly as differences in the amounts outstanding (excluding exchange rate fluctuations) will be used to verify and to compile draw downs and retirements of the issue. Include amounts due within one year that may have been reclassified from long-term debt to short-term accounts.

Geographical distribution of amounts outstanding

Report the amounts of the debt that are held by investors in Canada and investors in other countries.

Identify also whether the debt is held by direct investors or by other investors. **Direct investors** are defined as being corporations or individuals who hold 10% or greater of the voting shares **or** corporations or individuals who have significant influence in the decisions affecting the operations of the company. Other investors are considered to be portfolio investors; they exert no influence on the management decisions of the company.

The information on the geographical ownership of the debt is critical for the balance of payments. Use the country-coding list to identify the country for amounts held by investors in foreign countries. It may be necessary to obtain the country of ownership information from the trustee of the debt issue.

1. Bank Loans

For bank loans that have been included on the pre-print, please provide the current year's balance and make any necessary corrections to the pre-printed information.

Please report each new bank loan separately and provide as much detail as possible in order to avoid further queries. For syndicated bank loans, please report all of the countries involved in the syndicate and not just the countries of the lead banks. This information should be available from the loan documents.

2. Bonds

For bond data that have been included on a the pre-printed form, please provide the current year's balance and make any necessary corrections to the pre-printed information.

This item should include bonds, debentures, funded debt, notes payable, and similar types of long-term debt where each issue has an issue date, maturity date, and a fixed or fluctuating interest rate.

Please report each bond issue separately and provide as much detail as possible in order to avoid further queries.

3. Other long-term liabilities

For long-term debt data that have been included on a the pre- printed form, please provide the current year's balance and make any necessary corrections to the pre-printed information.

This item should include long-term inter-company debt, long-term loans from non-related companies, mortgage loans and capital leases. Report each long-term debt item separately and provide as much detail as possible in order to avoid further queries.

4. Value of minority interest

Please ensure that the **geographical distribution** is provided as well as the current and prior years' amounts of minority interest in fully consolidated Canadian companies.

5. Share capital-Ppreferred

Please identify each class of preferred shares separately.

Report the prior and current year's' value in thousands of dollars. Report also the number of shares outstanding for the prior and current year.

It is important to distinguish between direct investors and other investors.

NOTE: The total number of shares held by **direct investors**, for every country code specified, should agree with to the total reported for that country code on page 4.

6. Share capital-Ccommon

Please identify each class of common shares separately. Report the prior and current year's' value in thousands of dollars. Report also the number of shares outstanding for the prior and current year.

It is important to distinguish between direct investors and other investors.

NOTE: The total number of shares held by **direct investors**, for every country code specified, should agree to the total reported for that country code on page 4.

Example

If there are 400 common shares outstanding which are all held by the parent company in GBR, the entry in item number 6 under held by direct investors would be 400. On page 4 the entry under item number 9 (residents of foreign countries) would be the name of the parent company, country code GBR, class of shares held common and number of shares held 400.

7. Statement of contributed surplus

Report the opening balance, any changes that may have affected the account during the reporting period, and the closing balance. Please report **all** of the changes (not just the net change) and give details of the additions and deletions.

Report appraisal credits, cumulative currency translation adjustment, and other equity changes as separate amounts under this item.

8. Statement of retained earnings

Please report the statement of retained earnings for the fiscal year on a **world consolidation basis**. Report the net profit before taxes and indicate the applicable taxes in the line below. If dividends have been declared and there is some non-resident ownership in the company, there should be an amount reported in line 35 of the BP-21 (if applicable). Report all additions/deletions (not the net amount).

Page 4

9. Residents of foreign countries

Please specify **all** non-resident direct investors. **Direct investors** are defined as being corporations or individuals who hold 10% or greater of the voting shares **or** corporations or individuals who have significant influence in the decisions affecting the operations of the company. Specify also the principal investors with holdings of long-term obligations amounting to \$5 million or more.

Specify the individual or company name, the country code, the class of shares held, the number of shares held, and the amount of any long-term obligations held by the investor such as debentures or notes. The total number of shares held by non-residents should agree with to the total amount reported under held by direct investors in items 5 and 6 reported on page 3.

10. Residents of Canada

Please specify **all** direct investors who are residents of Canada. **Direct investors** are defined as being individuals or corporations who hold 10% or greater of the voting shares **or** corporations or individuals who have significant influence in the decisions affecting the operations of the company. Specify the individual or company name, the class of shares held, the number of shares held, and the amount of any long-term obligations held by the investor such as debentures or notes. The total number of shares held by Canadian residents should agree with the total amount reported under held by direct investors in items 5 and 6 reported on page 3.

11. Memorandum Item: Long-term assets abroad

Respondents completing this item should also be completing a BP-59 (Capital invested abroad by Canadian enterprises).

Please report the investments in subsidiaries, associates, joint ventures, and branches in other countries as shown in the books of the reporting entity (carrying value). Cost of shares includes investments in preferred shares, common shares, and contributed capital.

Accumulated earnings should include the accumulated earnings of all foreign subsidiaries. Long-term loans and advances is to include only long-term inter-company amounts.

BP-53: Structure of Canadian Companies in the Reporting Enterprise

Cover Page

Please specify, at the bottom of the page, the period end to which the report relates. Check also, in the box provided, if the reporting entity or any of its Canadian subsidiaries has capital invested abroad; in which case, the reporting entity should also be completing a BP-59 (Capital invested abroad by Canadian enterprises).

Please provide the complete Canadian address.

Page 2

For companies, which have reported information on the BP-53 in a previous year, that information will be pre-printed on the current year's form. These companies are asked to update the information. Companies new to the BP-53 survey are to provide the information for the current year.

Part 1. Canadian subsidiaries in other Balance of Payments Schedules

Please indicate

those subsidiary companies, which have been fully, consolidated in other Balance of Payments schedules such as the BP-21, BP-21S, BP-52 or BP-59. Specify the enterprise level, the name of the subsidiary and the percentage of common and preferred stock held. Specify also the industry code as defined on (page 1) of this form under principal industry.

Part 2. Canadian Subsidiaries and Associates in other Balance of Payment Schedules

Please indicate the enterprise level, the name of the subsidiary or affiliate, the percentage of common and/or preferred stock held, and the total value of the investment held by the reporting entity for those Canadian companies which are not fully consolidated in other Balance of Payments schedules, such as the BP-21, BP-21S, BP-52, or BP-59. The value of the equity should be the **carrying value** as reflected in the books of the reporting company and the value of other securities and advances should apply to long-term investments only.

BP-59: Capital Invested Abroad by Canadian Enterprises

**BP-59S: Capital Invested in Secondary Foreign Companies by Canadian Enterprises
Supplementary Schedule of Capital Invested Abroad by Canadian
Enterprises**

Cover Page

0. Period end

Please specify the period end to which this report relates.

Canadian subsidiaries not consolidated on this report

Please list the names and addresses of all the Canadian subsidiaries or effectively controlled companies with investments abroad that have not been consolidated in this report.

Page 2

SECTION A

Direct investment abroad includes investment by the Canadian reporting entity in 1) foreign subsidiaries, 2a) foreign associates, 2b) joint ventures, 3) foreign branches and 4) non-capitalized expenditures abroad for mining and oil exploration and miscellaneous investments.

Except for column 14, all columns in Section A are to be reported at values **shown in the financial statements of the foreign companies or operations** (with columns 1 to 9 converted to Canadian dollars at the exchange rate in effect at the end of their fiscal period. Columns 10 to 13 should be converted at the *average* exchange rate for the fiscal period). **Column 14, carrying value**, reflects the value of investment in foreign subsidiaries, associates, and joint ventures in the financial statements of the **reporting entity**.

Extra-National Companies (E.N.C.'s)

These companies are incorporated in Canada with assets (except securities and cash) and business operations located entirely outside Canada. E.N.C.'s should be included with foreign subsidiaries and associates in section A, *Direct investment*.

For each entity please specify the name and indicate the applicable country code. Also required are the principal industrial activity (use codes on page 5), the average number of employees (if zero please indicate), and the exchange rate used to convert the data as all data reported on this form should be in Canadian dollars.

Type 1. Foreign subsidiaries

A foreign subsidiary is a company incorporated abroad in which the reporting entity owns a majority (more than 50%) of the voting shares carrying the right to elect a majority of the Board of Directors.

Type 2a. Foreign associates

A foreign associate is a company incorporated abroad in which the reporting entity holds 10% to 50% of the voting shares. Or is controlled by substantially the same shareholders.

Type 2b. Joint ventures

Joint ventures are investments undertaken with other parties (residents or non-residents). Report your participation in any foreign joint ventures.

Please specify indicate the name of each entity subsidiary held and indicate the applicable country code.

Columns 1 to 4

Common stock, preferred stock, retained earnings and capital surplus should include only that **portion** of each item held by the Canadian reporting company and/or its Canadian subsidiaries.

Column 5

Net long-term intercompany debt should only include the debt of the foreign subsidiaries and associates held by the reporting entity such as bonds, debentures, notes, mortgages, accumulated advances and all other forms of indebtedness likely to remain outstanding for one year or more. Net advances from foreign subsidiaries and associates to the reporting entity should be shown as negative values (in brackets).

Column 6

Book value of long-term investment should equal the total of columns 1 to 5 and

represent that **portion** of the total value of the long-term investment owned by the Canadian reporting entity.

Column 7

Net short-term intercompany debt represents that the liabilities of the foreign companies held by the reporting entity intended to remain outstanding less than one year. This amount should reflect the short-term assets and liabilities with foreign subsidiaries and associates reported on page 3 of the BP-21 (if applicable). Net advances from foreign subsidiaries and associates to the reporting entity should be shown as negative numbers (in brackets).

Column 8

Total long-term liabilities and equity represents the total of all the long-term debt and equity of the foreign subsidiaries and associates owed to or held by **all** creditors and shareholders, including the reporting entity. Inter-company accounts between foreign subsidiaries and associates should be eliminated to prevent double counting.

Column 9

Total assets represent the asset total contained on the financial statements of the foreign entities. The amount should reflect the total assets contained on the balance sheet even though the foreign entity may not be wholly owned by the reporting entity.

Carrying value of the long-term investment represents the value of the investment in foreign subsidiaries and affiliates as shown in the financial statements of **the reporting entity**. Amounts reported here should also be reflected in item 11 on the BP-52 (if applicable).

Column 10

Net income represents net income after income taxes. Extraordinary gains and losses should be excluded. The amount should reflect the total net income appearing in the income statement of the foreign company converted to Canadian dollars at the average exchange rate for the period. If the foreign entity is not 100% owned do not report the share of net income based upon the ownership of equity by the reporting entity. A net loss should be reported in brackets.

Column 11

Dividends represents the total dividends declared by the foreign subsidiaries and associates.

Columns 12 & 13

Sales or Gross Operating Revenue

Report sales of goods and services (net of returns and allowances, sales and excise taxes) **or** gross operating revenue as recorded on the Income Statement of the foreign entities. **Excludes investment income, realized and unrealized capital gains and losses.**

The sales total should then be distributed between revenue generated from sales of *Goods* and from sales of *Services*. If these figures are not readily available provide your best estimates of the percentages from goods and services. The list of *Principal Industry* on page 5 should provide a guide to distinguish goods and services. For example: A firm, which manufactures computers and also provides computer services may report *Goods* 80% and *Services* 20%.

Special Note: This refers to total services (1) sold by the foreign concerns to any related Canadian resident company such as a parent, branch, subsidiary, or affiliate.

Column 13

This refers to total **services (1)** sold to all other Canadian residents (non-affiliated).

Banks

Gross operating revenue includes Gross Interest Receipts plus other operating revenue such as fees, commissions and other items of a similar nature as recorded on the Income Statement of the foreign entities.

Excludes investment income, unrealized capital gains and losses.

Insurance Companies

Sales of services include premium income, annuity considerations and income from other items of a similar nature as recorded on the Income Statement of the foreign entities.

Excludes investment income, unrealized capital gains and losses.

Holding Companies

Total Income as recorded on the Income Statement of the foreign entities. To be considered a holding company, a company's equity in the net income of affiliates that it holds must constitute a majority of its total income and "in general" it must have a sizeable portion (usually at least 50%) of its total assets invested in the affiliates that it holds.

Column 14

Carrying value of the long-term investment represents the value of the investment in foreign subsidiaries and associates as shown in the balance sheet of **the reporting entity**. Amounts reported here should also be reflected in item 11 on the BP-52 (if applicable).

This refers to total **services (1)** sold to all others, i.e. residents of countries other than Canada, whether affiliated or not.

Type (1) Include operating revenues from the sale of services by foreign subsidiaries and affiliates. Services embrace such activities as royalties, rights, computer services, management or administrative fees, research and development, consulting/professional services, insurance premiums and claims, other financial services, commissions, advertising, equipment rentals (except financial leases), etc. Excluded are real estate rentals or sales, freight and shipping transactions, interest, dividends, public subsidies, and all sales of physical goods.

3. Foreign branches and miscellaneous investments

Column 6

Net Assets - Net assets comprise total assets outside Canada less total liabilities to residents of foreign countries.

Column 9

See above.

Column 12 and 13

See above.

Type 4. Non-capitalized expenditures or miscellaneous investments

Miscellaneous investments include agencies, warehouses, mining claims, real estate, seats of foreign stock exchanges etc.

Column 6

Please give a description of the expenditures which occurred during the period.

BP-59/59S: Foreign Subsidiary Activity Schedule

This schedule collects additional information on foreign subsidiaries from selected Canadian companies.

Information required should be taken from the financial statements of foreign subsidiaries for BP59 or secondary foreign subsidiaries for BP59S. The identity number of the foreign subsidiary on the schedule should agree with that on BP59(S). Income statement items are to be converted to Canadian dollars at the average exchange rate for the reporting period. For balance sheet items, use the exchange rate at the close of the reporting period.

Sales or Gross Operating Revenue

Total Sales

Total sales reported should agree with Column 12 of BP59(S).

Sales Activity by Industry

Report the major sales activity of the subsidiary by industry codes listed on Page 5 of BP59(S).

Largest Sales -

All sales under the same industry code should be summed up. Report the largest sales (amount) in Column (1) and its industry code in the appropriate column.

Second Largest Sales -

The industry code for the second largest sales should be different from the one used for the largest sales. Report the code and the amount in Column (2).

All Other Sales -

Report the amount of sales other than the largest and second largest sales in Column (3). Columns (1) + (2) + (3) should account for total sales defined above.

Geographical Destination of Sales

Report the sales by geographical destination in amount and in percentage of goods and services.

Local Sales -

Report the amount of sales within the country of the foreign subsidiary in Column (4) and the percentages of the sales in goods and services. Where no exact breakdown of goods and services is available, a best estimate will be accepted.

Sales to Canada -

Report the amount of sales to the Canadian parent and all companies in Canada who are related to the same parent in Column (5a). Report the amount of sales to all companies in Canada who are NOT related to the parent in Column (5b).

Columns (5a) + (5b) should add up to Column (5) which is to be broken down in percentages of goods and services sold. A best estimate is acceptable in lieu of an exact breakdown.

Sales to Other Countries -

Report the amount of sales to countries other than Canada and the resident country of the foreign subsidiary in Column (6) and the percentages of the sales in goods and services.

Wages, Salaries and Employer Portion of Employee Benefits

See **Definitions** on page 2 of the schedule for reference.

Depreciation/Depletion

See **Definitions** on page 2 of the schedule for reference.

Other Operating Expenses

See **Definitions** on page 2 of the schedule for reference.

Operating Profit(loss)

See **Definitions** on page 2 of the schedule for reference.

Opening Inventory

Report the inventory level at the end of the previous reporting year. See **Definitions** on page 2 of the schedule for reference.

Closing Inventory

Report the inventory level at the end of the reporting year. See **Definitions** on page 2 of the schedule for reference.

APPENDIX A - COUNTRY CODING LIST (PART-2)

In reporting the geographical distribution of foreign countries, and currency of payments, please use the codes provided below:

Note: For Euro currency please code "EUR"

Code Country		Code Country	
AFG	Afghanistan	CUB	Cuba
ALB	Albania	CYP	Cyprus
DZA	Algeria	CZE	Czech Republic
AND	Andorra	DNK	Denmark
AGO	Angola	DJI	Djibouti
ATG	Antigua and Barbuda	DMA	Dominica
ARG	Argentina	DOM	Dominican,
ARM	Armenia	ECU	Ecuador
ABW	Aruba	EGY	Egypt
AUS	Australia	SLV	El Salvador
AUT	Austria	GNQ	Equatorial Guinea
AZE	Azerbaijan	ERI	Eritrea
BHS	Bahamas	EST	Estonia
BHR	Bahrain	ETH	Ethiopia
BGD	Bangladesh	FLK	Falkland Islands (Malvinas)
BRB	Barbados	FJI	Fiji
BLR	Belarus	FIN	Finland
BEL	Belgium	FRA	France
BLZ	Belize	GUF	French Guiana
BEN	Benin	PYF	French Polynesia
BMU	Bermuda	GAB	Gabon
BTN	Bhutan	GMB	Gambia
BOL	Bolivia	GEO	Georgia
BIH	Bosnia and Herzegovina	DEU	Germany
BWA	Botswana	GHA	Ghana
BRA	Brazil	GIB	Gibraltar
IOT	British Indian Ocean Territory	GRC	Greece
VGB	British Virgin Islands	GRD	Grenada
BRN	Brunei Darussalam	GLP	Guadeloupe
BGR	Bulgaria	GTM	Guatemala
BFA	Burkina Faso	GIN	Guinea
BDI	Burundi	GNB	Guinea-Bissau
KHM	Cambodia	GUY	Guyana
CMR	Cameroon	HTI	Haiti
CAN	Canada	HND	Honduras
CPV	Cape Verde	HKG	Hong Kong
CYM	Cayman Islands	HUN	Hungary
CAF	Central African Republic	ISL	Iceland
TCD	Chad	IND	India
CHL	Chile	IDN	Indonesia
CHN	China	IRN	Iran
COL	Colombia	IRQ	Iraq
COD	Congo, Democratic Republic	IRL	Ireland
COG	Congo	ISR	Israel
CRI	Costa Rica	ITA	Italy
HRV	Croatia	CIV	Ivory Coast

Continued

APPENDIX A - COUNTRY CODING LIST (PART-2)

In reporting the geographical distribution of foreign countries, and currency of payments, please use the codes provided below:

Note: for Euro currency please code “EUR”

Code Country		Code Country	
JAM	Jamaica	PRY	Paraguay
JPN	Japan	PER	Peru
JOR	Jordan	PHL	Philippines
KAZ	Kazakhstan	POL	Poland
KEN	Kenya	PRT	Portugal
KIR	Kiribati	PRI	Puerto Rico
PRK	Korea, North	QAT	Qatar
KOR	Korea, South	ROU	Romania
KWT	Kuwait	RUS	Russian Federation
KGZ	Kyrgyzstan	RWA	Rwanda
LAO	Laos	LCA	Saint Lucia
LVA	Latvia	WSM	Samoa
LBN	Lebanon	SAU	Saudia Arabia
LSO	Lesotho	SEN	Senegal
LBR	Liberia	SCG	Serbia and Montenegro
LBY	Libya	SYC	Seychelles
LIE	Liechtenstein	SLE	Sierra Leone
LTU	Lithuania	SGP	Singapore
LUX	Luxembourg	SVK	Slovakia
MAC	Macao	SVN	Slovenia
MKD	Macedonia	SOM	Somalia
MDG	Madagascar	ZAF	South Africa
MWI	Malawi	ESP	Spain
MYS	Malaysia	LKA	Sri Lanka
MDV	Maldives	SPM	Saint Pierre and Miquelon
MLI	Mali	SDN	Sudan
MLT	Malta	SUR	Suriname
MRT	Mauritania	SWZ	Swaziland
MUS	Mauritius	SWE	Sweden
MEX	Mexico	CHE	Switzerland
MDA	Moldova, Republic of	SYR	Syria
MCO	Monaco	TWN	Taiwan
MNG	Mongolia	TJK	Tajikistan
MAR	Morocco	TZA	Tanzania, United Republic of
MOZ	Mozambique	THA	Thailand
MMR	Myanmar	TGO	Togo
NAM	Namibia	TTO	Trinidad and Tobago
NPL	Nepal	TUN	Tunisia
NLD	Netherlands	TUR	Turkey
ANT	Netherlands Antilles	TKM	Turkmenistan
NZL	New Zealand	UGA	Uganda
NIC	Nicaragua	UKR	Ukraine
NER	Niger	ARE	United Arab Emirates
NGA	Nigeria	GBR	United Kingdom
NOR	Norway	USA	United States
OMN	Oman	URY	Uruguay
PAK	Pakistan	VIR	US Virgin Islands
PAN	Panama	UZB	Uzbekistan
PNG	Papua New Guinea	VAT	Vatican City State

APPENDIX A - COUNTRY CODING LIST (PART-2)

In reporting the geographical distribution of foreign countries, and currency of payments, please use the codes provided below:

Note: for Euro currency please code "EUR"

Code Country		Code Country	
VEN	Venezuela	ZMB	Zambia
VNM	Viet Nam	ZWE	Zimbabwe
ESH	Western Sahara		