

## BE-13 Pre-Collection Cognitive Interviews

Kenny Herrell

Aryn Hernandez

### Research Questions:

- Do respondents understand how to use the 'type of transaction' instructions to determine which form they should report?
- Do respondents comprehend the terminology used on the BE-13?
- Do respondents understand the examples used throughout the BE-13?
- What language do respondents naturally use to describe the concepts in the BE-13?
- Did respondents understand the examples used throughout the BE-13?
- Overall, is the requested information available in respondent's records?

Expected Length of Interview: 60 minutes

### Materials Needed:

- (If possible, send Type of Transaction sheet and forms to respondents beforehand.)
- Copies of 'Type of Transaction' instructions.
- Copies of BE-13 forms:
  - o BE-13A
  - o BE-13B
  - o BE-13D
  - o BE-13E
  - o BE-13 Claim
- Consent forms.
- Digital recorder.

### General probes that may be used throughout the interview:

- Reflect back on respondent's answer: "you said..."
- In your own words, what is this question asking?
- How did you arrive at this number/answer this question?
- What records (if any) did you look at? What line or lines were of interest?
- Specifically, what did you include in this number? What did you exclude?
- Would you consult other people to obtain this answer?

### Introduction:

- Explain purpose of meeting: to understand the process used to answer questions, to get feedback on the BE-13 forms.
- This is not a test of you! We want to understand how you are interpreting this form to make sure we are doing our jobs right and asking questions that can easily be answered.
- As we go through the form, we will ask both general and specific questions. If at any time a question seems odd to you, please let us know! We encourage all feedback!
- Do we have permission to record our conversation for research purposes? Have respondent sign consent form.

Before we begin discussing the 'Type of Transaction' instructions and BE-13 Form:

- People around the table: how long at the company, position/title and responsibilities
- Do you, or someone else in your company, fill out any other government surveys?
- (If yes above) Which ones?
  - If they don't mention it specifically: Have you completed the BE-13 before?
- (If yes above) What do you usually do when you receive the survey?
- (If yes above) What do you do with it after you have finished the survey? (Double-check numbers, reconcile to other filings, etc.)?
- (If talking directly to the company reporting) Just so I can understand a little bit about this company, what types of products or services does this company provide to its customers or clients?

Great, now before we ask you questions about the BE-13, we have an instructional sheet that we want you to look over.

- Give respondent 'Type of Transaction' instructions

Once respondent has looked over the 'Type of Transaction' instructions...

- After reading the instructions, which BE-13 form would you complete?
- Why did you choose this form?
- (If needed) How did you arrive at this answer?
- (If needed) Would you need to consult another individual in your company to determine which form to complete?
- What do you like about these instructions?
- What don't you like about these instructions?
- (If needed) Do you have any suggestions on how to improve them?
- What do you think about this decision tree format?
- Do you think this form was helpful, overall?

## For Respondents that Select Version A/C – Report for Acquisition of a U.S. Business Enterprise

Now let's look at the form (form respondent decided to use). We will skip around as we go through the form because we have questions about specific sections on the form.

First, I'd like you to take a minute and review the first page.

What is the information on this page telling you?

- In your own words, what is this telling you to include? To exclude?
- Does this information line up with what you thought when you chose to complete this form, or does it contradict it in any way?

Take a moment to review the instructions, the flow chart and the definitions at the top of Page 3.

- In your own words, what are these instructions telling you?
  - o *If not mentioned, probe specifically about item C, which is new.*
- Can you tell me in your words what **Example 1** is showing?
- Are the definitions of "business enterprise" and "voting interest" clear?
  - o If not, how can we clarify?
  - o Does your company use these terms?
- What does the term "foreign parent" mean to you?
  - o Does your company use that term? (If no, what does it use?)
- Overall, are these instructions clear?
  - o (If no) What can we do to improve the consolidation instructions?
  - o (If no) What can we do to improve **Example 1**?
  - o Do you have any other suggestions to improve these instructions and/or **Example 1**?

Now take a moment to read **Question 1**.

- How would you answer this question?
- (If needed) Would you consult any records to answer this question?
- (If needed) Would you consult anyone else in your company in order to answer this question?
- (If needed) How do you know when the foreign parent's direct and/or indirect voting interest in your company reached or exceeded 10%?
- What does **Example 2** say to you?
  - o In your own words, how does the survey define "Affiliated Foreign Group"?
  - o Do you agree with that definition?

Next, let's look at **Question 2**.

- Can you tell me in your own words what this question is asking?
- (If needed) What does the phrase “voting and non-voting equity interests” mean to you?
- (If needed) How would you know if any U.S. entity costs are not affiliated with any of the foreign parents? Tell me more about this...
- How would you answer this question?
- (If needed) How would you know this information?
- (If needed) Would you need to consult records or someone else to find out this information?
- What does **Example 3** tell you?

Now looking at **Question 3**, can you tell me in your own words what this question is asking?

- (If needed) How did you arrive at this answer?
- (If needed) Would you need to consult any records?

Let's take a look at **Questions 4 and 5**.

- Are these questions clear to you?
- Are you able to answer these questions? How difficult would it be to answer these questions?

Let's skip to **Question 7**, what is this question asking you?

- Are the instructions for how to proceed clear to you?

Now let's skip to **Question 9**.

- In your own words, what is this question asking?
- What relationship do the numbers you report in Lines A through D have with each other?
  - o (If needed) Would you consult someone else within your organization?
  - o (If needed) Would you consult records?

Before we go to the next question, let's look at **Example 5**.

- Please describe what this graphic is showing you?
- How does this graphic relate to your company?
- Is this graphic clear to you?
- What improvements would you make?

Let's proceed to **Question 10**.

- What is this question asking you to report?
- How would you answer this question?
- What does the term “directly own” mean to you?
- What does the term “voting interest” mean to you?
- (If needed) Would you consult someone else within your organization?
- (If needed) Would you consult records?
- Are you familiar with the previous method of reporting this information on the survey?

- o What are your thoughts on this change?

Let's briefly discuss **Questions 16 through 19**.

- In your own words, what are these questions asking?
- What does the term "ultimate beneficial owner" mean to you?
- Did you see the examples below? (If no) Take a moment to look over them.
  - o (If needed) In your own words, what is **Example 4** showing? What about **Example 5**?
  - o What does the dotted line mean in both examples?
  - o In your opinion, is there anything we can do to improve these examples?
- How would you answer this question?
- (If needed) Would you need to consult someone in your company? Records? Tell us more about this...

Again in the interest of time, let's skip to **Question 25**.

- Can you tell me in your own words what this question is asking?
- Is this information readily available?
- What specific sorts of costs would you include in this figure? Exclude?
- How does **Example 10** relate to this question, from your perspective?
  - o Is there anything we can do to improve this example?

Now let's look at **Questions 26 through 29**.

- In your own words, what are each of these questions asking you for?
- What types of equity are you including in Question 26? How about Question 28?
- Conversely, what types of loans are you including in Question 27? 29?
- If we only wanted to know about debt between the foreign parent and the target company (or one of its affiliates), how could we make this clearer to you? How about if we wanted to know about an equity infusion from a company higher up the ownership chain?
- Do you have this information available?
- (If needed) Would you need to contact someone else to get this information?

Did you notice the **note** beneath Question 29?

- What are your thoughts on this note?
- Did you notice this note appearing anywhere else in the survey?

Let's turn to the next page and focus on the **instructions** at the top of this page, above Question 30.

- What do these instructions mean to you?
  - o Specifically, what about the second sentence, starting with "The acquired U.S. entity includes..."
- Is there anything unclear about these instructions?
- To answer Question 30, where would you get this information?

Looking at **Question 35** now, what do you think of these instructions?

- o Is there anything we could do to make these instructions clearer?

Lastly, please look at **Question 38**.

- o How would you answer this question?
- o Are these instructions clear to you? How could we improve them?

Wrapping Up

- Overall, what do you think of these questions that we discussed today?
- Do you have any suggestions to improve the form?

Thank you for your time today!

## For Respondents that Select Version B – Report for Establishment of a New U.S. Business Enterprise

Now let's look at the form (form respondent decided to use). We will skip around as we go through the form because we have questions about specific sections on the form.

First, I'd like you to take a minute and review the first page.

What is the information on this page telling you?

- In your own words, what is this telling you to include? To exclude?
- Does this information line up with what you thought when you chose to complete this form, or does it contradict it in any way?

Okay, please turn to the next page. I'll give you a minute to briefly review this page.

- Are these instructions clear to you?
- (If necessary) What could we do to improve any problems?

Now, let's go to Page 3 of the form. Take a moment to review **Question 1**.

- How would you answer this question?
- Is it clear to you how to answer?
  - o (If no) Why not? Can you suggest how we can improve it?
- Do you find these instructions easy or difficult to understand? How so?
- (If needed) What does the term "holding company" mean to you?
  - o Is this consistent with how the term is defined on this survey?

Now please look at the bottom half of this page, with the definitions and the example.

- Are the definitions of "business enterprise" and "voting interest" clear?
  - o If not, how can we clarify?
  - o Does your company use these terms?
- What does the term "foreign parent" mean to you?
  - o Does your company use that term? (If no, what does it use?)
- Overall, are these instructions clear?
  - o (If no) What can we do to improve these instructions?
  - o (If no) What can we do to improve **Example 1**?
  - o Do you have any other suggestions to improve these instructions and/or **Example 1**?

Let's move on straight to **Question 7**. Take a moment to read the question.

- In your own words, what is this question asking you? How would you answer it?
- (If not mentioned) Did you see **Example 2** below?
  - o What do you think of **Example 2**?
  - o In your own words, what is **Example 2** showing?
    - What does the dotted line mean to you?
  - o Do you have any suggestions to improve **Example 2**?
- How confident are you in this answer?
- Looking at **Question 8**, what is this question asking you?
  - o Are the instructions for how to proceed clear to you?

Go ahead and answer Question 8.

(If skip pattern says to go to 9) Let's proceed to **Questions 9 and 10**.

- What are these questions asking you to report?
  - o Are these questions clearly worded?
    - If no, how can we change them?
- What are your thoughts about how these questions are presented?
  - o Is there any way to collect this information more efficiently?
- How would you get the information required to answer these questions?
- (If needed) Would you consult someone else within your organization?
- (If needed) Would you consult records?
- Did you notice the instruction in the box?
  - o (If no) Please take a minute to review that instruction.
  - o How would you provide the organizational chart? Is it clear to you how to do so?

Please review the examples on the bottom of this page.

- In your words, what are these examples illustrating?
- Are these examples clear? How could we improve them?
- Do you find these examples helpful in answering the questions?

Let's turn the page and look at **Question 11**.

- In your own words, what is this question asking for you?
  - o (Make note if they notice the part asking for voting interest for each affiliate.)
- Is there anything we can do to improve this question?
- What is the example beneath this question illustrating to you? Is it helpful?

Looking at **Question 12**, how would you get the information to answer this question?

In the interest of time, let's move the section titled Establishment Information.

- Looking at **Question 20**, is this question clear to you?
- What does Example 14 demonstrate, from your perspective? How does it relate to Question 20?

Now let's look at **Questions 21 through 24**.

- In your own words, what are each of these questions asking you for?
- What types of equity are you including in Question 26? How about Question 28?
- Conversely, what types of loans are you including in Question 27? 29?
- If we only wanted to know about debt between the foreign parent and the target company (or one of its affiliates), how could we make this clearer to you? How about if we wanted to know about an equity infusion from a company higher up the ownership chain?
- Do you have this information available?
- (If needed) Would you need to contact someone else to get this information?

At the top of Page 8, let's look at these instructions.

- What are these instructions telling you to do?
- (If R doesn't mention anything about the first bullet) What do you think we mean by the first bullet, "report projections for the first fiscal year of operations"?

Looking now at the first question on this page, **Question 25**...

- How would you answer this question?
- How would you get this information?

Please review the subsequent **questions, 26 through 29**.

- Is it clear what these questions are asking from you?
- Do you prefer to see the wording in this "branching" manner, or would you prefer to see each question written out fully?

Now please review **Question 30**.

- o What are these bullet points explaining to you?
- o Are these instructions clear? Is there any way to make them clearer?

Finally, let's turn to page nine and look at **Questions 43 through 45**. (Pause and let the respondent review the questions.)

Let's assume that you are reporting for a new U.S. Business Enterprise. With this in mind...

- How easy or difficult would it be for you to report costs associated with expenditures related to the land?
- What about property, plant and equipment expenditures other than land?
- Would you include "Other costs" in Line E?

- o If so, what would you include here?
  - o Would you think it is beneficial for us to know the specifics of what you include in Other costs? Why or why not?
- Looking at **Question 45**, would you be able to report the amount of expenditures each year?
  - o Is this question easy or difficult to answer?
  - o How would you arrive at your answer? Tell us about the process.

#### Wrapping Up

- Overall, what do you think of these questions that we discussed today?
- Do you have any suggestions to improve the form?

Thank you for your time today!

## For Respondents that Select Version D – Report for the Expansion of an Existing U.S. Affiliate

Now let's look at the form (form respondent decided to use). We will skip around as we go through the form because we have questions about specific sections on the form.

First, I'd like you to take a minute and review the first page.

What is the information on this page telling you?

- In your own words, what is this telling you to include? To exclude?
- Does this information line up with what you thought when you chose to complete this form, or does it contradict it in any way?

Okay, please turn to the next page. I'll give you a minute to briefly review this page.

- Are these instructions clear to you?
- (If necessary) What could we do to improve any problems?

With that in mind, let's begin on Page 3 of the form. Take a moment to review **Question 1**.

- In your own words, what is this question asking?
- How would you answer it?
- What is the significance of the date you chose?

Let's look at Question 2.

- How would you answer this question?
- Is this answer identical to the name of the company on the cover page?
  - o How could this information differ from the company name on the cover page?

Next, let's look at **Question 4**.

- How would you answer this question?
- What does the phrase "foreign parent's affiliated foreign group" mean to you?
- How would you calculate the cost to set up the new facility? (Records? One line item or multiple line items)
- Overall, how easy or difficult is it to answer this question?
- Is there anything unclear about this question?
- Please review **Questions 5 and 6**. What are these questions asking you?
- What is the difference between what these two questions are asking?
- Are you able to provide answers to these questions?

Now let's move on to **Question 6**

- Can you tell me in your own words what this question is asking?
- How would you answer this question?
- (If needed) Would you need to consult another individual in your company in order to answer this question? What about company records?

- What does the term “foreign parent” mean to you?
  - o Does your company use that term? (If no, what does it use?)
  - o How would you know if a foreign parent has a 10 percent or more voting interest in your company?
- What is the example below this series of questions demonstrating to you?
- What does the term “voting interest” mean to you?
  - o Does your company use that term? (If no, what does it use?)

Let’s move on to **Question 7**.

- How would you arrive at an answer for this question?
- (If needed) Would you need to consult someone to answer this question?
- (If needed) Would you need to consult records?

Now, let’s look at **Question 9**. Take a moment to read it.

- In your own words, what is this question asking?
- What do you think of the definition of the term “ultimate beneficial owner”?
  - o Do you agree with our definition?
  - o How would you change it?
- Did you see the examples below? (If no) Take a moment to look over them.
  - o In your own words, what is **Example 1** showing? What about **Example 2**?
  - o What does the dotted line mean in both examples?
  - o In your opinion, is there anything we can do to improve these examples?
- Ultimately, how would you answer this question?
- (If needed) Would you need to consult someone in your company? Records? Tell us more about this...

Let’s skip to **Question 13**.

- In your own words, what is this question asking?

Let’s look at **Question 14**.

- What are we asking for here?
- What do the instructions beneath Question 14 show you?
- Did you look at the instructions before thinking about your answer to Question 14?
- What does the last bullet point tell you? Is it clear how to incorporate that instruction into your response?

Now let's go to Question 15.

- Similar to what we just asked for 14, what are we asking for?
- What do the instructions beneath Question 14 show you?
- Did you look at the instructions before thinking about your answer to Question 14?
- The last bullet point here; what does that instruction tell you, in your own words? Are you able to incorporate that instruction into your response?

Finally, let's turn to **Questions 21 through 23**. (Pause and let the respondent review the questions.)

Let's assume that you are reporting for a new U.S. Business Enterprise. With this in mind...

- How easy or difficult would it be for you to report costs associated with expenditures related to the land?
- What about property, plant and equipment expenditures other than land?
- Would you include "Other costs" in Line E?
  - o If so, what would you include here?
  - o Would you think it is beneficial for us to know the specifics of what you include in Other costs? Why or why not?
- For **Question 23**:
  - o What are these instructions telling you to include and exclude? Are these instructions clear? How could we improve them?
  - o How are you coming up with the figures for these expected costs? Would you consult records for projections, or is this an estimate?
    - If an estimate: what are you basing that estimate on?

Wrapping Up

- Overall, what do you think of these questions that we discussed today?
- Do you have any suggestions to improve the form?

Thank you for your time today!

**If respondent decides that they would complete the Claim For Not Filing Form:**

Now let's look at the Claim Form since that is what you think your company would fill out. Please take a few minutes to look it over and let us know when you're ready.

First, I'd like you to take a minute and review the first page.

What is the information on this page telling you?

- After reading the "Who must report" section, do you believe this form applies to you?
  - o IF NO: do you believe you should go back to consider another form?
    - IF THEY WOULD CONSIDER ANOTHER FORM: begin interview with the form they would now choose.
- Does this information line up with what you thought when you chose to complete this form, or does it contradict it in any way?

Okay, please turn to the next page. I'll give you a minute to briefly review this page.

- Are these instructions clear to you?
- I'd like to specifically ask you about a few definitions here. Please read these and then I will ask you specifically to tell me your thoughts about these definitions:
  - o Affiliate
  - o Affiliated foreign group
  - o Business enterprise
  - o Foreign parent
  - o Voting interest
- (If necessary) What could we do to improve any problems?

Looking at **Question 1**, how would you answer this question?

- What do each of these options mean to you?
- Is the seventh option here clear to you?
- Why did you choose the response that you chose?
- (If needed) How would you arrive at this answer?
- (If needed) Would you need to consult any records? Any person in the company?
- (If needed) Tell us more about this process in determining that you need to complete the Claim Form...
- In your opinion, are there any options missing from the list?
  - o What's missing?
  - o (If needed) Why do you think it's important to have this on the list?

Let's move now to Question 3.

- Which of these options did you select? Why?
- Now that you've selected an answer, how would you proceed?
  - o If needed: Which item would you complete next? Why?

(If R chooses option 3, make note if they continue to fill out the correct items as instructed earlier: 6, and 8-12.)

Please look at **Question 8**.

- Is it clear to you what this question is asking?
- What do the bulleted instructions mean to you?
- How would you answer **Question 10**?
- Is this question clear to you?
- How about **Question 11? 12?**

Okay, now I know you said that your company would probably complete the Claim Form, but can you think of a situation where you'd have to look at one of the other forms?

(Wait for respondent to decide which form they may have to complete...)

Great, I'd like to get your feedback on this form.

(Proceed to ask respondent about the alternative form that they chose. Because you will have already used part of the time to go through the Claim Form, **please conduct an abbreviated interview, asking only the most important questions.**)