

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Quarterly Survey of Financial Services Transactions between U.S. Financial
Services Providers and Foreign Persons (Form BE-185)
OMB Control Number: 0608-0065

B. Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The potential respondent universe for the BE-185 quarterly survey is all U.S. financial services providers that engage in covered financial services transactions with foreign persons. A financial services provider must report if it had sales to foreign persons of financial services that exceeded \$20 million for the previous fiscal year or if it expects to have such transactions in excess of that amount during the current fiscal year, or if it had purchases from foreign persons of financial services that exceeded \$15 million for the previous fiscal year or if it expects to have such transactions in excess of that amount during the current fiscal year.

BEA intends to mail a notice to approximately 715 U.S. companies per quarter notifying the companies of the requirement to file the survey and providing links to eFile, BEA's electronic filing system. BEA will estimate data for respondents that do not report their data in a timely manner, including those U.S. persons that fall below the reporting threshold for the quarterly survey but reported on a previous benchmark survey. Estimates will be based on prior reports and growth in the value of transactions from a matched sample of respondents. BEA will allocate the estimated data by country and by type of transaction based on the distribution of reported transactions for inclusion in the published totals. Thus, estimates will cover the entire universe of transactions.

Response rates to this quarterly survey in past years have been high, with an average response rate of approximately 85 percent. BEA expects that these high response rates will continue for the survey, providing information of sufficient accuracy and reliability for its intended purposes.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

The BE-185 survey will be administered to U.S. financial services providers that have transactions with foreign persons. BEA expects most of the potential respondents to file the

survey on a timely basis. In the case that a survey is not filed, or is filed too late to be used for the current estimate, BEA will generate an estimate based on data previously reported or estimated for the non-respondent using information from companies that did respond. No unusual problems have been identified that would require the use of specialized sampling procedures. BEA will collect data from a cutoff sample of firms meeting the reporting criteria.

The list of respondents will be derived from public and private sources, including business directories and establishment lists.

A high degree of accuracy is needed for the purposes stated in the justification. The proposed survey is a quarterly survey conducted four times a year.

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

Any company specifically contacted by BEA must respond by filing a completed form BE-185 or a valid exemption claim. Non-respondents will be contacted by BEA staff and, in the event of continued nonresponse, will be referred to the Office of General Counsel for further action, including possible referral to the Justice Department. BEA expects that at the time of the final revised estimates, reports will be received from nearly all companies required to report. To facilitate response, a notice will be sent to each company on a quarterly basis notifying the company of the requirement to file the survey and providing links to eFile, BEA's electronic filing system, and an Excel version of the survey.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No tests were conducted; however, the survey has been conducted in previous years. Additionally, BEA maintains a continuing dialogue with respondents and data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, to the extent possible, the required data serve their intended purposes, that the survey instructions are clear, and that unreasonable burdens are not imposed.

During 2017 BEA engaged with staff from the Data Collection Methodology and Research Branch (DCMRB) in the Economic Statistical Methods Division (ESMD) of the U.S. Census Bureau to undertake a cognitive review of the BE-125 Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons and the 2017 BE-120 Benchmark Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons. The cognitive review, which aligned with best practices in survey development and pretesting, included an expert review of the BE-120 and BE-125 forms, respondent debriefings, and multiple rounds of cognitive interviews consisting of approximately 30 in-person interviews with survey respondents. BEA will incorporate many of the findings into the design of the BE-

185 survey, including improvements to the clarity of the instructions and respondent navigation throughout the survey.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Balance of Payments Division. For further information, contact Christopher Stein via email at *christopher.stein@bea.gov* or by phone at 301-278-9189.