

## **Statistics Norway**

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# **Instructions for filling out the questionnaire RA – 1000 Investments abroad**

## **The purpose of the questionnaire**

The purpose of the questionnaire is to obtain information to be used in the statistics “Foreign Direct Investment” and “Norwegian subsidiaries abroad”. The data is also used as input for mandatory reports to international organisations, including Eurostat, OECD and IMF.

## **Who needs to report**

All Norwegian companies (Norwegian investors), with a minimum of 20 per cent direct ownership in associated companies, foreign subsidiaries and/or branches, are required to report. The questionnaire shall cover all the mentioned companies and indirectly owned foreign subsidiaries within an enterprise group.

## **Definitions**

*Foreign direct investment:* Cross-border investment with a resident in one economy having control or significant degree of influence on the management of a company that is resident in another economy. Control/influence is when a direct investor owns equity of a minimum of 20 per cent.

*Enterprise group:* An investor together with one or several subsidiaries forms an enterprise group. An investor is a parent company if it owns shares in or controls another company (subsidiary).

*Subsidiary:* A subsidiary is a company that is more than 50 per cent owned (controlled) by another company, usually referred to as the parent company or holding company.

*Indirectly owned subsidiary:* A company that is indirectly owned and controlled by a parent company through a subsidiary directly owned by the parent company (a part of the enterprise group).

*Joint venture:* A joint venture is a contractual agreement between two or more parties in the purpose of executing a business undertaking in which the parties agree to a share of the profits and losses of the companies as well as the capital formation and contribution of operating inputs and costs.

*Associated/ company:* An associate is a company in which an investor directly owns at least 20 per cent of the voting power and no more than 50 per cent.

## **Contact persons within Statistics Norway:**

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## Filling in the questionnaire

Briefly about the contents of the Excel questionnaire:

- The Excel questionnaire consist of several sheets and begins with " Duty to report " which indicates reporting requirements, legal basis, and guidance on how to answer the questionnaire.
- The Excel sheet "Type of Ownership" provides explanations of the different types of ownership relationships and examples of what to report for the different relations. This Excel sheet also provides a figure to help explain the different ownership relationships.
- In the Excel sheet "Example", an example of a properly filled out questionnaire is given for one of the situations described in "Type of Ownership ".
- There are separate Excel sheets for: valid country, currency, and industry codes.
- "Guidance" is an excel sheet with a summary of this document, which can be used while filling in the questionnaire.
- The Excel sheet marked with "Company" are the actual reporting sheet. It is divided into sections 1 to 6. Every Norwegian investor are to report sections 1, 2 and 3. Additionally, the type of ownership of the foreign companies determines the requirements of reporting sections 4 and 5. Section 6 is a section that can be used for explanations. Below is an explanation of the contents of the various sections.

**Values:** All values shall be reported in NOK 1000 unless otherwise stated. For example, if the foreign company has result after taxes of 2,500,000, please report this as 2500. The exchange rate shall correspond to the exchange rate used in the Norwegian company's own account. Alternatively, the listed exchange rate that relates to the last day of the financial year may be used.

### Section 1. Information on the Norwegian investor

Specify the official organisation number, company name, name of the contact person, telephone number and e-mail address. The same Excel workbook can be used to report for several Norwegian investors, i.e. if the parent company in Norway reports for its Norwegian subsidiaries. If this is the case, fill in one Excel sheet per Norwegian investor ("Company 1", "Company 2" etc.).

### Section 2. Information on the foreign companies

Specify the following mandatory characteristics:

- name of the foreign company
- country where the foreign company is registered (See "Country and currency codes" Excel sheet for valid codes)
- industry code of the company (See "Industry codes" Excel sheet for valid codes. Please specify the industry if it is not found in the list)

Voluntary characteristics that can be specified are:

- Information about the foreign company's identity code in the resident country or an internal identification code used by the reporter to be able to identify the company more easily if post-reporting issues arise.

### Section 3. Information on the Norwegian investors' ownership in the foreign companies

This section is divided into two parts.

Information on the foreign company in which a Norwegian investor has **direct ownership**:

- the Norwegian investor's direct ownership shares in per cent
- the foreign company's book value

Information on foreign subsidiaries that are **indirectly** owned by a Norwegian investor through a foreign company:

- the foreign investor's direct ownership in per cent
- the name of the foreign company with direct ownership

#### **Section 4. Balance sheet and income statement information on foreign companies with Norwegian ownership from 20 per cent**

The following components of the equity capital need to be provided for foreign companies where the Norwegian investor has **direct ownership**:

- **Currency code:** For the currency of which the foreign direct investment is denominated. (See "Country and currency codes" sheet for valid codes). Example: A subsidiary in Sweden is usually denominated in Swedish kronor (SEK).
- **Share capital:** At face value.
- **Paid-up capital:** Including share capital premium and others.
- **Other equity (including dividends payable):** Include retained earnings/equity, reserve for valuation variations and dividends payable.
- **Total equity:** Sum of paid-up capital and other equity.
- **Result after taxes:** Annual result after taxes.
- **Paid dividend:** Specify the total amount the foreign company has paid out in dividends during the financial year, regardless of when it was allocated. Paid dividends in this context include dividends used as repayment of debt to the parent company.

The items should be provided from the foreign company's accounts with total accounting values, and not just the owner's percentage shares. The values should be recalculated from the foreign currency with the closing exchange rate on December 31<sup>st</sup> for the balance sheet items and with the average exchange rate during the accounting year for the profit and loss items. If the Norwegian investor use other rates when calculating its accounts, those rates can be used.

#### **Section 5. Information on foreign subsidiaries with Norwegian direct or indirect ownership**

Please provide the following information on subsidiaries abroad, for both **direct and indirect** Norwegian ownership:

- annual turnover
- number of employees and self-employed persons
- employee benefits expense
- additions in tangible non-current assets

##### **Annual turnover is defined as:**

- + the company's operating revenues (See clarification below)
- public subsidies
- profits of sales of fixed assets
- indirect taxes relating to sales
- value added tax

**Clarification:** Sales between enterprises in the same enterprise group should be included in the company's operating revenues.

##### **Special note: Turnover for financial companies**

For the activities of holding companies and trusts, funds and similar financial entities net turnover can be approximated by the total operating costs, if net turnover is not available in the financial statements.

Annual turnover is to be replaced with value of output minus subsidies or government grants for enterprises within financial service activities, and gross premiums due for enterprises within insurance, reinsurance, and pension funding.

### **Number of employees and self-employed persons**

The number of employees and self-employed persons is the total number of persons employed in a company, including full-time and part-time workers and employers and employees. The figure to be filled in is the average throughout the year. If this is problematic, the number of employees and self-employed persons at the end of the year may be used. If several companies are controlled within the same country, and it is difficult to break down the number of employees and self-employed persons into the company they work for, all personnel should be included in the largest company in the relevant country.

### **Employee benefits expense**

Employee benefits expense is the sum of all expenses arising in relation to employment, permanent or temporary and regardless of full-time or part-time, during the reference period. This implies all forms of remuneration granted by the company to its own employees in exchange for services or in connection with termination of employment. This includes among others:

- bonuses
- lodging and cost of living
- over-time
- commissions
- employer's compulsory and voluntary security and social contributions
- taxes

The value should be recorded as an absolute value. Absolute value means that the amount should always be reported as a positive number, regardless of whether it is recorded as negative in your accounting systems.

### **Additions in tangible non-current assets**

Gross investment in tangible non-current assets includes all additions to tangible non-current assets during the reference period. Tangible non-current assets include land, buildings and other real property, under here agricultural and forestry property and machinery, plant and other tangible non-financial fixed assets. Included are new and existing tangible non-current assets, whether bought from third parties or produced for own use. Alterations, improvements and renovations of existing tangible assets are also included. The tangible assets must have a useful life of more than one year. Intangible and financial assets are excluded.

All investments should be valued prior to value adjustments and before the deduction of income from disposals. Purchased assets should be valued at purchase price, i.e. transport and installation charges, fees, taxes and other cost of ownership transfer are included. Own produced tangible assets should be valued at production cost and financial leasing at market value.