

Foreign Affiliates Statistics (Form FT)

Form FT collects information on foreign affiliates controlled by the reporting enterprise group. Information should be reported on a UK consolidated basis covering all UK resident entities within the group of the reporting enterprise. The information obtained from this form is used by the Bank of England to provide aggregate information to Eurostat in order to comply with the FATS Regulation. Form FT is reported annually and covers the number of enterprises controlled, the number of employees and the total turnover of the affiliated enterprises. The reference period is the calendar year.

Respondents should provide information for all foreign affiliates located outside the EU. Information on foreign affiliates located inside the EU can be provided on a voluntary basis.

FT Item

1 Number of enterprises

The number of foreign affiliates controlled by the reporting enterprise.

Include all units active during at least a part of the reference period. Only active units which either had turnover or employment at any time during the reference period should be included. Dormant (temporarily inactive) and inactive units are excluded. Where the reporting enterprises control more than one foreign affiliate in the same country, the number of foreign affiliates recorded for the parent company should be the total number of foreign affiliates controlled by the parent in that particular host country.

2 Number of employees

Number of employees is defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind. The number of employees includes part-time workers, seasonal workers, and persons on strike or on short-term leave, but excludes those persons on long-term leave. The number of employees is calculated as the number of jobs and is measured as an annual average.

If possible please report the total number of employees rather than the full-time equivalent figure. Include the annual average of persons employed by units which are active for only part of the period.

Include as employees:

all workers paid directly from the payroll;

paid working proprietors and partners;

students who have a formal commitment whereby they contribute to the unit's process of

production in return for remuneration and/or education services;
employees engaged under a contract specifically designed to encourage the recruitment of unemployed persons;
home workers if there is an explicit agreement that the home worker is remunerated on the basis of the work done and they are included on the payroll.

Exclude:

voluntary workers;
agency workers not on payroll;
self employed workers.

3 Turnover (Production value)

For monetary financial institutions turnover is replaced by production value.

Please include the total production value of all controlled enterprises resident in that country, not just the share of production value attributable to parent. Include total production value of enterprises active for only part of the reference period.

Enter:

Interest receivable and similar income,
- Interest payable and similar charges.
+ Commissions receivable,
+ Income from shares and other variable-yield securities,
+ Net profit or net loss on financial operations,
+ Other operating income.

It is permitted to use "Total operating income" as defined in the financial accounts as a proxy for production value. This is slightly different from production value as it generally includes fees payable and net insurance premiums. Banks who report total operating income in this box should notify the Bank of England.

FORM FT: Foreign Affiliates Statistics

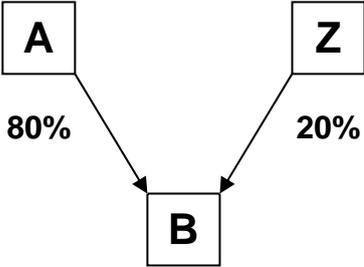
Appendix to definitions

Control

Control implies the ability to determine the strategy of an enterprise, to guide its activities and to appoint a majority of directors. In most cases, this ability can be exercised by a single investor holding a majority (more than 50 per cent) of the voting power or of the shares, directly or indirectly. Control can be direct or indirect.

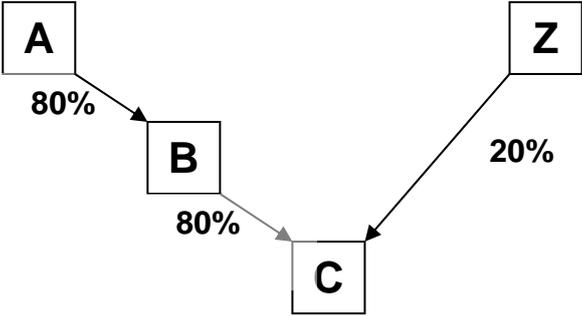
Direct control means the ability to determine the general policy of an enterprise by choosing appropriate directors, if necessary. In figure 1, enterprise A controls 80 per cent of the voting power (shares) of enterprise B and therefore has direct control over enterprise B.

Figure 1: Direct control



Indirect control means that an enterprise may have control through an affiliate that has control over another affiliate. In figure 2, enterprise C is controlled by enterprise B. As enterprise B is controlled by enterprise A, enterprise C is controlled indirectly by enterprise A.

Figure 2: Indirect control



Allocation by country

100 per cent of each reported value (number of enterprises, number of employees and total turnover) should be allocated **to one country** even if it does not exercise full ownership. Splitting of values according to shares of ownership is not recommended.

Taking the enterprises in figure 1 for example, if enterprises A and Z are identified as the foreign shareholders of an enterprise B, with respective shares of 80 per cent and 20 per cent, then 100 per cent of the reported values (number of enterprises, number of employees and total turnover) should be allocated to the country where enterprise A is resident.

Where chains of control exist, such as in figure 3, total turnover should be allocated back up the chain to the ultimate controlling enterprise. So for example, the total turnover of both enterprises B and C are reported by enterprise A as it is the ultimate controlling institution in both instances. Data are required for all foreign affiliates controlled directly or indirectly by the UK group.

Figure 3: Allocation by country

