

Sheinberg, Samuel I.

From: [REDACTED]
Sent: Tuesday, January 26, 2021 9:59 AM
To: Berg, Karen E.; Sheinberg, Samuel I.; Six, Anne; Whitehead, Nora; Musick, Vesselina
Subject: FW: Item 5 - Service Revenue

From: Walsh, Kathryn E.
Sent: Tuesday, January 26, 2021 9:58:37 AM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Item 5 - Service Revenue

We agree that revenues from contracts negotiated and executed outside the US do not get reported in Item 5, unless they are booked in the US.

From: [REDACTED]
Sent: Thursday, January 21, 2021 4:35:57 PM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Subject: Item 5 - Service Revenue

Dear PNO,

We represent a foreign corporation (Company A) that owns a fleet of shipping vessels that it charters to shipping line customers located both in the U.S. and outside of the U.S. The ships are all foreign flagged. In some cases Company A provides a crew to operate the vessels being chartered. Company A has no establishments located in the U.S. and substantially all of its assets are located outside of the U.S. Negotiation and execution of the charter contracts, depending on the customer, may occur inside the U.S. or outside of the U.S. Payments to Company A in exchange for the charters may be made to an account in a bank located in the U.S. Can you advise as to whether Company A is required to report revenues in Item 5. (The interpretation below appears to indicate that revenues derived from charter contracts negotiated and executed outside of the U.S. are not reported in item 5.)

0508005 Informal Interpretation

DATE: August 30, 2005

RULE:

Form Item 5

STAFF:

Michael Verne

RESPONSE/COMMENTS:

Any shipments that originate from a U.S. establishment or are booked through a U.S. establishment would be considered U.S. operations. #4 the lease payout would not be U.S. operations.

 Original Image File (78.94 KB)

QUESTION

From: (redacted)
Sent: Wednesday, August 10, 2005 2:36 PM
To: Verne, B. Michael
Cc: Peay, Sandra M.
Subject: US revenue Question

For purposes of Section of the Form, and in connection with the following fact pattern, what would be considered US revenue?

The company in question derives revenue primarily from the air shipping business.

1. Are shipments that originate in the US and are delivered outside of the US considered US operations?
2. Are shipments that originate outside the US and are delivered inside the US considered US operations?
3. Does it make a difference whether the order is placed in a US office or an overseas office?
4. If leases for airplanes take place outside the United States, if the lessee chooses to bring the plane into the US (it is totally up to the lessee where he flies the plane), would those lease payments be considered revenues from operations in the US?

If you could let me know it would be appreciated. If you'd like to call me by phone, I can be reached at (redacted). Thank you.

[Redacted]

[Redacted]

[Redacted]