States, and any of their respective de-
partments, agencies, or instrumental-
ities). (See examples following
§§ 800.301(c) and 800.302(c).)

§ 800.212 Foreign entity.
(a) The term foreign entity means any
branch, partnership, group or sub-
group, association, estate, trust, cor-
poration or division of a corporation,
or organization organized under the
laws of a foreign state if either its prin-
cipal place of business is outside the
United States or its equity securities
are primarily traded on one or more
foreign exchanges.
(b) Notwithstanding paragraph (a) of
this section, any branch, partnership,
group or sub-group, association, estate,
trust, corporation or division of a cor-
poration, or organization that dem-
onstrates that a majority of the equity
interest in such entity is ultimately
owned by U.S. nationals is not a for-
eign entity.

§ 800.213 Foreign government.
The term foreign government means
any government or body exercising
governmental functions, other than the
United States Government or a sub-
national government of the United
States. The term includes, but is not
limited to, national and subnational
governments, including their respec-
tive departments, agencies, and instru-
mentalities.

§ 800.214 Foreign government-con-
trolled transaction.
The term foreign government-con-
trolled transaction means any covered
transaction that could result in control
of a U.S. business by a foreign govern-
ment or a person controlled by or act-
ing on behalf of a foreign government.

§ 800.215 Foreign national.
The term foreign national means any
individual other than a U.S. national.

§ 800.216 Foreign person.
The term foreign person means:
(a) Any foreign national, foreign gov-
ernment, or foreign entity; or
(b) Any entity over which control is
exercised or exercisable by a foreign
national, foreign government, or for-
eign entity.

Example 1. Corporation A is organized
under the laws of a foreign state and is
only engaged in business outside the
United States. All of its shares are held by
Corporation X, which controls Corporation A.
Corporation X is organized in the United
States and is wholly owned and controlled by U.S.
nationals. Assuming no other relevant facts,
Corporation A, although organized and only
operating outside the United States, is not a
foreign person.

Example 2. Same facts as in the first sen-
tence of Example 1. The government of the
foreign state under whose laws Corporation
A is organized exercises control over Cor-
poration A through government interveners.
Corporation A is a foreign person.

Example 3. Corporation A is organized in
the United States, is engaged in interstate
commerce in the United States, and is con-
trolled by Corporation X. Corporation X is
organized under the laws of a foreign state,
its principal place of business is located out-
side the United States, and 50 percent of its
shares are held by foreign nationals and 50
percent of its shares are held by U.S. nation-
als. Both Corporation A and Corporation X
are foreign persons. Corporation A is also a
U.S. business.

Example 4. Corporation A is organized
under the laws of a foreign state and is
owned and controlled by a foreign national.
A branch of Corporation A engages in inter-
state commerce in the United States. Cor-
poration A (including its branch) is a foreign
person. The branch is also a U.S. business.

Example 5. Corporation A is a corporation
organized under the laws of a foreign state
and its principal place of business is located
outside the United States. Forty-five percent
of the voting interest in Corporation A is
owned in equal shares by numerous unre-
lated foreign investors, none of whom has
control. The foreign investors have no for-
mal or informal arrangement to act in con-
cert with regard to Corporation A with any
other holder of voting interest in Corpora-
tion A. Corporation A demonstrates that the
remainder of the voting interest in Corpora-
tion A is held by U.S. nationals. Assuming
no other relevant facts, Corporation A is not
a foreign person.

Example 6. Same facts as Example 5, except
that one of the foreign investors controls
Corporation A. Assuming no other relevant
facts, Corporation A is not a foreign entity
pursuant to § 800.212(b), but it is a foreign
person because it is controlled by a foreign
person.

§ 800.217 Hold.
The terms hold(s) and holding mean
legal or beneficial ownership, whether
direct or indirect, whether through fi-
duciaries, agents, or other means.