



# U.S. Tax Planning for CFCs Under Subpart F

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Additional speakers to  
be announced

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# Earnings & Profits of Foreign Subsidiaries

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# U.S. Tax Planning For CFCs Under Subpart F

June 25 & 26, 2012  
San Francisco  
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## DAY ONE

- 8:00 AM **Registration and Continental Breakfast**
- 8:45 AM **Chairperson's Introduction and Overview**
- 9:00 AM **Overview of Subpart F Provisions – Basic Mechanics**
- What is a Controlled Foreign Corporation?
  - Effect of voting agreements, etc. on CFC determination
  - Basic mechanics of Subpart F
  - Overview of Subpart F income definition
  - Exceptions to Subpart F income definition, including the E&P limitation, de minimis exception, full inclusion rule, and high-tax exception
  - Calculating the Sec. 960 credit for deemed inclusions
  - Introduction to previously taxed income accounts
- 10:30 AM **Break for Refreshments**
- 10:45 AM **Sec. 954(d) - Foreign Base Company Sales Income**
- Review of the foreign base company sales income rules of Sec. 954(d)
  - Consideration of the IRS's recent attack on the "its" defense
  - Review of the application of the Branch Rule of Sec. 954(d)(2)
  - Consider the development of the IRS's response to contract manufacturing structures
  - Detailed review and analysis of the newly proposed manufacturing regulations
- 12:15 PM **Luncheon**
- 1:15 PM **Overview of Secs 954(c) and 954(e)**
- Detailed review of foreign personal holding company income definition
  - Calculating foreign base company services income and application of the substantial assistance rules
  - Review of the foreign base company service rules
  - Consideration of the application of foreign base company services rules to check-the-box subsidiaries
  - Preparing for sunset of CFC look-through
- 2:30 PM **Break for Refreshments**
- 2:45 PM **Sec. 1248**
- Overview of Sec. 1248 and calculation of the Sec. 1248 amount
  - Foreign tax credit consequences of recognizing Sec. 1248 amount, interaction with Secs 338(g) and 338(h)(16), discussion of CCA 200103031
  - Planning for dispositions of CFC stock
  - Proposed check-the-box anti-abuse regulations
  - Discussion of the so-called "check and sell" technique for sales of first-tier and lower-tier CFCs
- 4:00 PM **Interaction of Subpart F and Subchapter K Provisions**
- Using foreign partnerships v. corporations in joint venture planning
  - The Tax Court and Eighth Circuit decisions in *Brown Group v. Commissioner*
  - Discussion of final Brown Group regulations
  - Developments resulting from the American Job Creation Act
  - Domestic Subpart F "blocker" partnerships and Notice 2009-7
- 5:30 PM **Meeting Adjourns for the Day**

## DAY TWO

- 8:00 AM **Continental Breakfast**
- 8:30 AM **Reporting Issues for Disregarded Entities and Allocation of Deductions in Computing Subpart F Income**
- Form 8858
  - Potential increased audit risk for transactions between disregarded entities
  - Calculating net foreign base company sales income
  - Computation of CFC's E&P for purposes of the E&P limitation
  - Use of accumulated E&P deficits and E&P deficits of lower-tier CFCs to reduce Subpart F income
- 9:45 AM **Break for Refreshments**
- 10:00 AM **Sec. 956 - CFC Investments in United States Property**
- Overview of Sec. 956 and mechanics of deemed income inclusion
  - Co-ordination of Sec. 956 inclusions and Subpart F inclusions
  - Definition of "United States Property"
  - Application of Notice 2008-91 and discussion of issues in AM2009-013
  - Issues involving Sec. 956 and partnerships
- 11:15 AM **Sec. 959 – Previously Taxed Income of a CFC**
- Review of the PTI provisions of Sec. 959
  - Proposed Sec. 959 regulations
  - Analysis of the foreign currency implications of PTI distributions
  - Consideration of PTI planning techniques
- 12:30 PM **Luncheon**
- 1:15 PM **Repatriating Low-Tax Earnings from a CFC**
- Affirmative use of Sec. 956
  - Review of Notice 2006-85 and 2007-48, and the "Killer B" temporary regulations
  - Analysis of proposed stock basis regulations and temporary Sec. 367[a] regulations addressing repatriation via Sec. 304 transactions
  - Discussion of alternatives to permanent repatriation of low-taxed income
- 3:00 PM **Conference Concludes**

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# Earnings & Profits of Foreign Subsidiaries

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June 27 & 28, 2012  
San Francisco  
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## DAY ONE

- 7:30 AM **Registration and Continental Breakfast**
- 8:45 AM **Chairperson's Introduction and Overview**
- 9:00 AM **Overview of Earnings & Profits**
- Determining status of distributions
  - Subpart F income limitations
  - Calculating deemed paid foreign tax credits
  - Determining PFIC inclusions
  - Form 5471
- 10:15 AM **Break for Refreshments**
- 10:30 AM **Earnings & Profits Details**
- Elections under Secs. 964 and 338
  - Foreign tax credit baskets
  - E&P pools & translating foreign taxes
  - Converting to the Euro
  - Effect of deficits on baskets & pools
  - Pre-1987 losses carried forward
  - Post-1986 losses carried back
  - Inheriting E&P from a merger or liquidation
  - Nimble dividend rule
  - Complex Sec. 902 example
- 12:30 PM **Luncheon**
- 1:30 PM **Determining Earnings & Profits of a Foreign Branch**
- Translating the branch income and expense
  - Calculating the Sec. 987 exchange gain or loss on branch remittances and when the branch is terminated
  - Check-the-Box (CTB) branch issues
  - Application of the hybrid branch regulations
- 2:30 PM **Earnings & Profits and Subpart F Income**
- Example illustrating the recapture and rebasketing of E&P after a deficit has limited Subpart F inclusions
  - Nimble dividend rule examples
  - Examples of the Subpart F branch income effective tax rate calculations
  - High tax exception example calculation
  - Treatment of Previously Taxed Income (PTI) – focusing on CFC's own PTI, inherited PTI or acquired PTI
  - Understanding the Sec. 959 ordering rules
  - Example of exchange gain or loss on distribution of PTI
- 3:45 PM **Break for Refreshments**
- 4:00 PM **Repatriation Planning**
- Affirmative use of Subpart F – Sec. 956
  - Reorganizations and cash movements
  - Other non-dividend repatriation techniques
- 5:15 PM **Question & Answer Session**
- 5:30 PM **Conference Adjourns for the Day**

## DAY TWO

- 8:00 AM **Continental Breakfast**
- 8:30 AM **Chairperson's Review of Day One and Preview of Day Two**
- 8:45 AM **Cases, Rulings, and Other New E&P Developments**
- Foreign tax credit splitters
  - Covered asset acquisitions
  - Anti-hopscotch
  - Proposed extenders bill
  - And other Washington updates
- 10:15 AM **Break for Refreshments**
- 10:30 AM **Earnings & Profits After Spin-Offs, Mergers and Acquisitions**
- Calculating E&P after a Sec. 355 Spin-Off
  - Applying the Sec. 367(b) E&P regulations to reorganizations, mergers and acquisitions
  - Planning tips
  - Example calculations
- 12:00 PM **Luncheon**
- 1:00 PM **Earnings & Profits and Sec. 304 Transactions**
- When does Sec. 304 apply
  - Mechanics of Sec. 304
  - Rev. Rul. 92 - 86
  - Effect of E & P on dividends
  - Check the box issues
- 2:15 PM **Managing E & P with Accounting Methods**
- Impact of accounting methods on E & P
  - Timing of recognition of income & expense deferral options
  - Adopting & changing methods
- 3:30 PM **Conference Concludes**

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## U.S. Tax Planning For CFCs Under Subpart F

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### Why You Should Attend:

Tax professionals need to maintain their knowledge of the latest Subpart F rules and understand how deemed dividends under Subpart F and Sec. 956 investments can be used as a tax planning tool. This course – only offered by Bloomberg BNA | CITE – is designed as an intensive, technical review of the Subpart F provisions and their affect on U.S. multinational planning.

### Who Should Attend:

This intermediate level conference is designed for VP taxes, directors of tax, tax managers, controllers, tax attorneys, tax accountants, and other financial executives who have attended an introductory level course on international tax or have obtained some business related experience on operating CFCs and reporting the results of CFC activities. An introductory course or its equivalent is recommended prior to attending this intermediate level program. This program is nontransitional which is appropriate for experienced attorneys.

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## Earnings & Profits of Foreign Subsidiaries

June 27 & 28, 2012, San Francisco  
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### Why You Should Attend:

This two-day course will discuss such topical subjects as determination of earnings and profits and elections, reducing foreign taxes, E&P rules affecting the determination of Subpart F income and repatriation planning. The new IRS proposed regulations contain a number of important rules dealing with earnings & profits, Subpart F income and foreign tax credits. Many companies have to take a new look at their foreign subsidiaries earnings and profits and are finding they have to re-examine this aspect of tax planning.

### Who Should Attend:

This seminar is intended for corporate tax directors and managers, accountants and CPAs, attorneys, and other corporate finance executives. An introductory course or its equivalent is recommended prior to attending this intermediate level program. This program is nontransitional which is appropriate for experienced attorneys.

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Sentry Conference Center

*U.S. International Tax Planning - 2012*  
June 4-6, 2012, New York  
Sentry Conference Center

*U.S. Taxation of Intellectual Property*  
June 11 & 12, 2012, New York  
Bloomberg LP, New York

*Current U.S. Tax Planning for Foreign-Controlled Companies*  
June 11 & 12, 2012, New York  
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*U.S. Accounting For Income Taxes Under ASC 740*  
June 25 & 26, 2012, Los Angeles  
Le Merigot (Santa Monica)

*U.S. International Tax Planning - 2012*  
June 25-27, 2012, Los Angeles  
Le Merigot (Santa Monica)

*Tax Accounting (ASC 740) Primer*  
July 9 & 10, 2012, St. Louis  
Renaissance St. Louis Grand Hotel

*U.S. International Tax Reporting & Compliance*  
July 9 & 10, 2012, St. Louis  
Renaissance St. Louis Grand Hotel

*Introduction to U.S. International Tax*  
July 9 & 10, 2012, Philadelphia  
Morgan Lewis Conference Center

*Intermediate U.S. International Tax Update*  
July 11-13, 2012, Philadelphia  
Morgan Lewis Conference Center

*U.S. International Transfer Pricing Update*  
July 16 & 17, 2012, New York  
Bloomberg LP, New York

*Tax Valuation Principles & Practice*  
July 23 & 24, 2012, Chicago  
The Allerton Hotel

*Tax Accounting (ASC 740) Primer*  
July 23 & 24, 2012, Chicago  
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**\$1295** Early Registration (before May 25)

**\$1395** Registration (after May 25)

#### Earnings & Profits of Foreign Subsidiaries Fees:

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