

# TAX – International Tax

## Experience-Based Foreign Tax Insight

It's a global economy, and your business doesn't always stop at the border. Neither does our tax counsel. We work with both domestic and foreign entities, as well as individuals, to structure cross-border transactions and to plan cross-border business and investment structures and strategies to obtain the most tax efficient results possible.

## How We Can Help You

Are you a company with worldwide operations, or perhaps a small company looking to expand beyond your borders? Or are you an individual making or considering international investments? The 2017 Tax Act has had a significant impact on the tax efficiency of various cross-border business and investment structures, including many that have traditionally been considered optimal. We are helping clients evaluate their options to find an optimal solution in light of the new law. Here are some of the ways we can help you succeed as you look to expand globally.

### Structuring U.S. Operations of Foreign Businesses and Foreign Operations of U.S. Businesses

We can help structure the U.S. operations of your foreign businesses and the foreign operations of your U.S. businesses to minimize worldwide tax consequences by:

- Minimizing the effects of the controlled foreign corporation and passive foreign investment company rules, including the consequences of the new global low-taxed intangible income rules
- Maximizing the benefits of the foreign tax credit, qualified business income and foreign-derived intangible income rules
- Structuring multinational business groups and their transactions to minimize worldwide taxes, taking into consideration the 21% U.S. corporate tax rate and global anti-base erosion and profit shifting measures
- Advising multinational corporations on how to structure retirement and pension plans to maximize worldwide tax benefits
- Providing planning and administrative services for U.S. residents with foreign holdings and foreign residents that own U.S.-based real property, business interests, and other investments
- Advising foreign governments on how to structure their tax systems to encourage investment and development, and on U.S. tax changes that could affect their economic policies
- Planning to minimize the effects of the Foreign Investment in Real Property Tax Act (FIRPTA), branch profits tax, and earnings stripping provisions of U.S. tax laws
- Ensuring that U.S. persons comply with their reporting obligations with respect to their foreign assets and that foreign trusts and entities comply with the Foreign Account Tax Compliance Act (FATCA) reporting obligations

We can also advise U.S. companies and investors as to their U.S. tax withholding, tax reporting, and due diligence obligations when dealing with nonresident aliens, foreign corporations, and other foreign entities.

### U.S. Residents Working Abroad

Our international tax group provides counsel on income tax issues to U.S. residents who work for companies abroad and foreign residents who work for companies in the United States. As part of our services to individuals, our attorneys provide pre-emigration tax planning and, for U.S. residents with overseas assignments, outbound expatriation advice, including drafting and structuring foreign and domestic trusts and worldwide tax compliance.

## High-Net Worth Non-Resident Individuals and Families

Our team is well-versed in the needs of and issues affecting international owners of large businesses and global entrepreneurs concerning all matters pertaining to cross-border investments. We also provide assistance with pre-immigration tax planning advice, trust and estate planning matters, including structuring domestic and offshore grantor and non-grantor trusts. In addition, we are experienced in compliance and reporting matters pertaining to offshore financial assets and voluntary disclosure proceedings.

## Our International Networks

Because we are a member of numerous affiliate networks such as *TerraLex*<sup>®</sup>, a well-respected global network of high quality independent law firms, we have access to deep local knowledge of specific jurisdictions throughout the world. By collaborating with local counsel globally, we can help you manage any international tax issue.

## STAYING ON TOP IN A CHANGING TAX CLIMATE

We're well positioned to advise you on recent changes in the U.S. federal and state tax law and ongoing international tax issues that may affect your organization. Our tax attorneys have demonstrated thought leadership for over 60 years as authors and technical advisors to the *Bloomberg Tax Portfolio Series*<sup>™</sup>, an indispensable resource for tax practitioners. We will keep you informed every step of the way.

## ADVANCING OUR CLIENTS' GOALS

### Tax-free Restructuring of U.S. Real Property Holding Company to Minimize Withholding Taxes

We helped restructure on a tax-free basis a foreign investor's ownership of leveraged U.S. real estate interests to facilitate the tax-free payment of interest on acquisition financing.

### Expanded U.S. Distribution Operations While Avoiding U.S. Tax

We provided guidance to a European food products distributor on how to expand its U.S. distribution activities without creating a taxable "permanent establishment" in the United States.

### Holding Company Structures to Minimize U.S. Tax on Foreign Operating Earnings

We have advised individual U.S. owners of active foreign businesses on ways to take advantage of the new participation exemption for dividends from their foreign companies so as to minimize or avoid U.S. tax on overseas earnings.

### Reducing International Taxes for a European Fabric Manufacturer

Our team structured the U.S. operations of a European-based fabric manufacturer and distributor to minimize U.S., Swiss, and French taxes.

### Helping a Foreign Trust Avoid an IRS Penalty

We defended a foreign trust administered in Guernsey, Channel Islands, against a proposed 35 percent Internal Revenue Service (IRS) penalty for the late filing of a form.

### A Mutual Assistance Treaty Enables a Refund

Via the mutual assistance provision of the U.S. - Japanese income tax treaty, we assisted a U.S. franchisor of business systems in obtaining a refund of Japanese withholding taxes imposed on franchise payments from its Japanese franchisee.

### Creating Structures to Minimize Worldwide Taxes

Our team helped structure the worldwide operations of a group that specialized in the development, manufacturing, and licensing of food supplements to minimize U.S. and worldwide tax.

### Removing Late-Filing Penalties for a Foreign National

On behalf of one of the largest banks in the United States, our attorneys obtained an abatement of IRS penalties resulting from the late filing of a foreign national's federal estate tax return.