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# TCJA international tax regulatory update – What's new and what's next?

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# Learning objectives

1

Demonstrate a working knowledge of the most recent regulatory guidance

2

Describe how the regulations may impact your organization

3

Identify unique fact patterns to which the regulations apply and assess the impact

# Agenda

- 1 Tax Cuts and Jobs Act – Where are we now?
- 2 Highlights of major regulatory developments
- 3 What's next? – Regulatory guidance expected in the near future

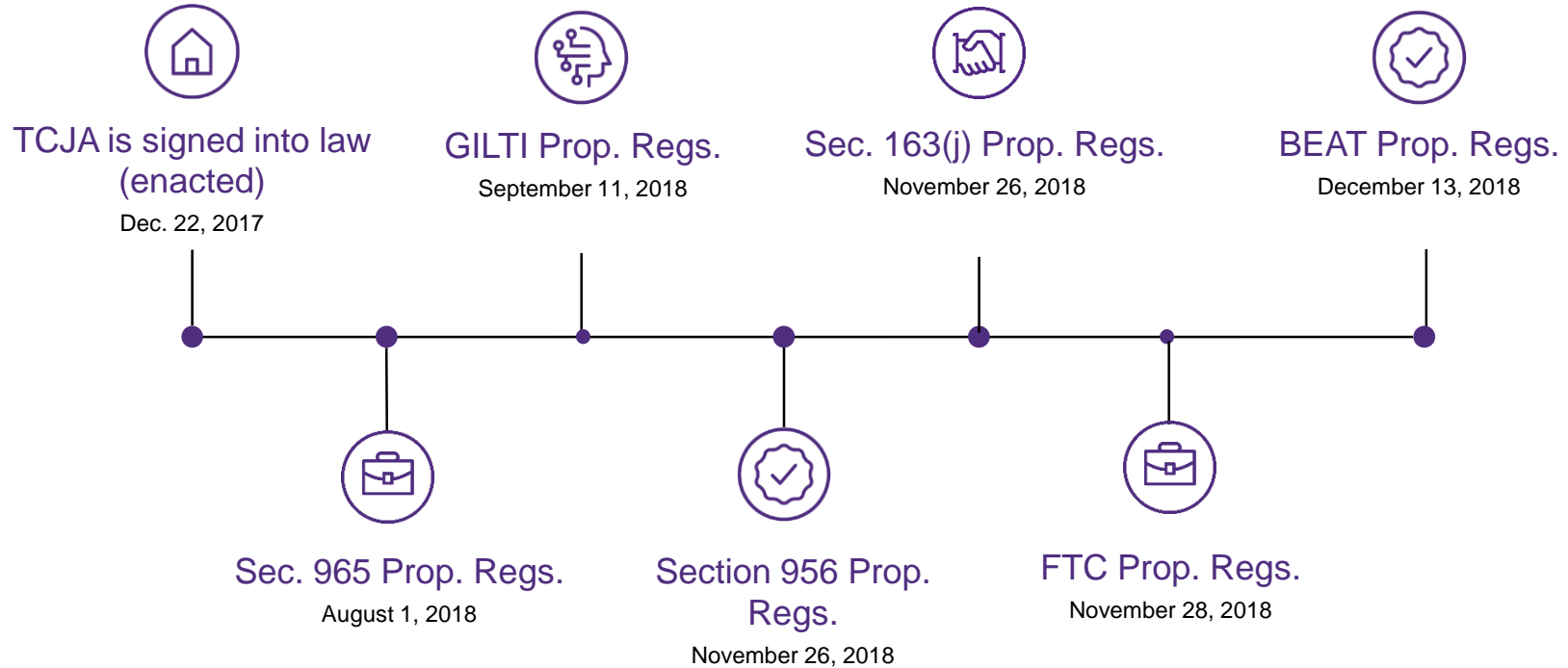


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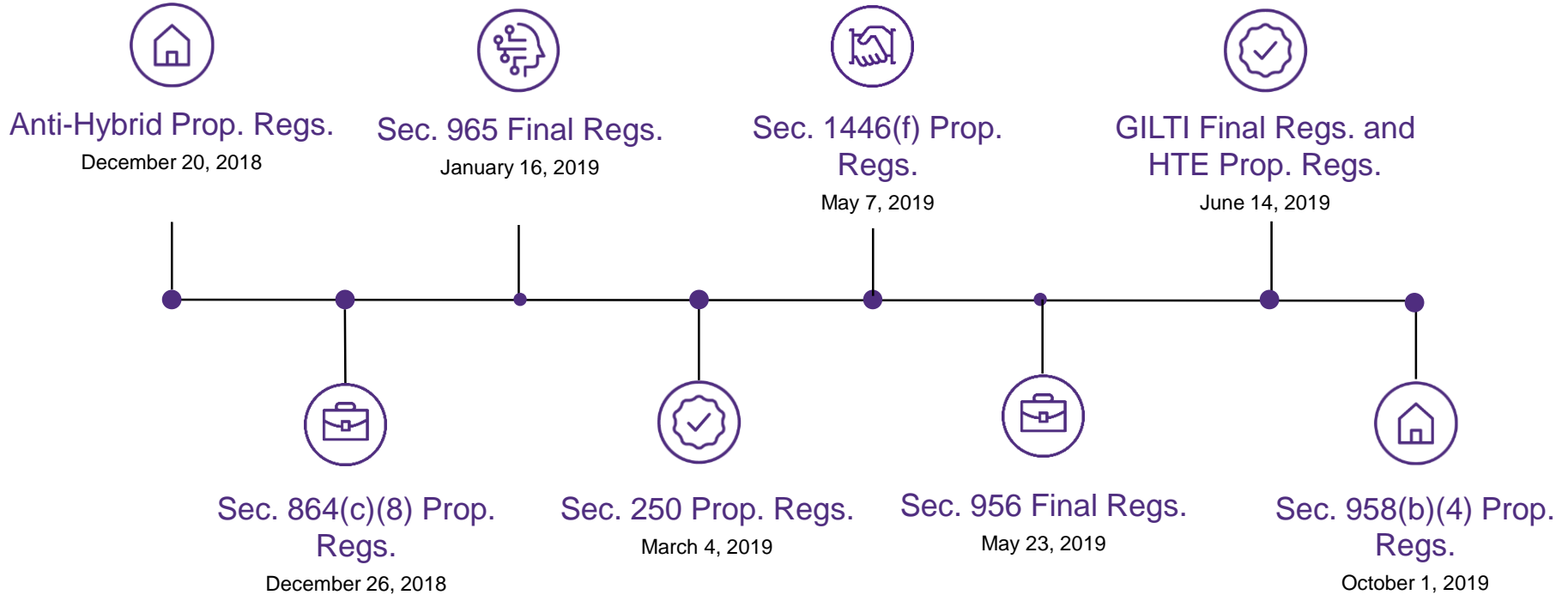
# TCJA to date

Tax Cuts and Jobs Act – Where are we now?

# TCJA Milestones



# TCJA Milestones



# Contents of the tax reform package

- Sweeping corporate reform headlined by a dropped top corporate rate of 21%
- Significant simplification of individual taxation coupled with lower rates, however, largely set to sunset
- Repeal of the ACA individual mandate
- Reshaping landscape of international taxation with a transition to a "quasi" territorial system
- Reimagining pass-through taxation with a 20% deduction for certain pass-through income



# International highlights of TCJA

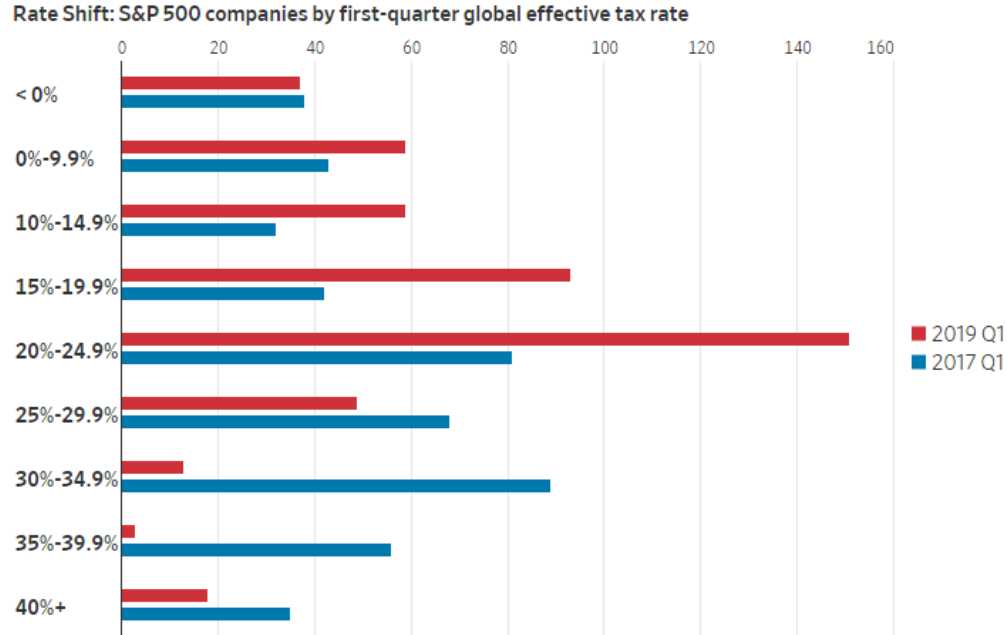
- Move to quasi-territorial system with 100% dividends received deduction
- One-time tax on previously un-repatriated earnings as transition and pay-for
- Very significant anti-base erosion provisions:
  - Minimum tax on "global intangible low-taxed income"
  - Base erosion payment minimum tax
  - Hybrid payment rules
- Incentives for foreign derived intangible income ("FDII")
- Significant changes in other areas of international tax law
- Legislation created a **massive** need for IRS regulatory guidance. Over 100 grants of authority!



# Preliminary Analysis of TCJA

- TCJA was estimated to reduce taxes by \$1.5 trillion over 10 years (\$163 Billion of which would occur in FY18)
- Economy was expected to be roughly 2% larger on average than it would have been between 2018 and 2027
- The larger economy is expected to result in higher after-tax incomes. However, the economic impact of the TCJA will be modest in the first few years but increase as the economic effects phase in over time
- It was anticipated that business investment would increase because of the flow of investment from abroad due to 21% rate and DRD
- Congressional Research Service report released in May 2019 overviews impact on GDP, investment, federal revenues, ETRs, wages, repatriation, and incentives to invest
  - The report concludes that the change in law has had modest effects on the economy to date, as expected

# Impact on ETR of S&P 500 Companies



Note: Fiscal quarters aligned so tax-law enactment falls in 2017 Q4.  
Source: Calcbench, WSJ analysis



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# Major developments

Highlights of major regulatory developments

# Summary of existing regulatory guidance

Provision/Code Section	Regs. Release Date	Key Takeaways	Outstanding Guidance
<b>Global Intangible Low-Taxed Income ("GILTI")</b> Sec. 951A	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-104390-18) issued September 11, 2018</li> <li>Final Regulation (TD 9866) issued June 14, 2019</li> <li>Proposed Regulation (REG-101828-19) issued on June 14, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Tested income/loss is computed using a taxable income approach</li> <li>Partnership rules apply a pure aggregate approach</li> <li>"High Tax Exception" regulations issued in proposed form (no reliance)</li> <li>Limited earnings of Controlled Foreign Corporations ("CFCs") will qualify for the participation exemption regime</li> </ul>	<ul style="list-style-type: none"> <li>Final regulations implementing the GILTI high tax exception</li> </ul>
<b>Base Erosion Anti-abuse Tax ("BEAT")</b> Sec. 59A	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-104259-18) issued December 13, 2018</li> </ul>	<ul style="list-style-type: none"> <li>Only mark-up component of services cost method ("SCM") payments are a base erosion payment ("BEP")</li> <li>Exception for effectively connected income ("ECI")</li> <li>Determination of BEP relies on longstanding federal tax principals (e.g. tax benefit rule, capitalization principals)</li> <li>Non-recognition transactions may result in a BEP</li> </ul>	<ul style="list-style-type: none"> <li>Final regulations implementing the proposed regulations (currently at OMB)</li> <li>Proposed regulations are also currently at OMB</li> </ul>
<b>Anti-Hybrid Regime</b> Sec. 267A	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-104352-18) issued December 20, 2018</li> </ul>	<ul style="list-style-type: none"> <li>Proposed regulations have a broad reach (e.g. imported mismatch rules)</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown when final guidance will be issued.</li> </ul>
<b>Interest Expense Limitation</b> Section 163(j)	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-106089-18) issued November 26, 2018</li> </ul>	<ul style="list-style-type: none"> <li>Broad definition of interest</li> <li>Complex CFC grouping election</li> <li>Applies to CFCs for purposes of computing tested income</li> </ul>	<ul style="list-style-type: none"> <li>Regulations are expected to be by the end of 2019 (significant changes anticipated)</li> </ul>
<b>Foreign Tax Credit ("FTC")</b> Sections 78, 864, 901, 904, 905 and 960	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-105600-18) issued November 28, 2018</li> </ul>	<ul style="list-style-type: none"> <li>Determination of taxes "properly attributable" to tested income/Subpart F and previously taxed earnings and profits ("PTEP")</li> <li>Rules for characterization of CFC stock (Asset based apportionment)</li> <li>Disregarded payment rules for foreign branch income</li> <li>Correction of mismatch between effective date of new section 78 and 245A</li> <li>Deemed paid credit no longer permitted with a section 956 inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Final regulations implementing the proposed regulations (currently at OMB)</li> <li>Proposed regulations are also currently at OMB</li> </ul>

# Summary of existing regulatory guidance

Provision/Code Section	Regs. Release Date	Key Takeaways	Outstanding Guidance
<b>Dividends Received Deduction ("DRD")</b> Section 245A	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-104352-18) under Section 245A(e) issued December 20, 2018</li> <li>Temporary Regulation (TD 9865) issued June 14, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Deny the section 245A DRD with respect to hybrid dividends received from CFCs</li> <li>Disallow the DRD to the extent of the "ineligible amount" of a dividend paid by an specified foreign corporation ("SFC") to its U.S shareholder</li> <li>Disallows application of the section 954(c)(6) look-thru exception on certain CFC to CFC dividends</li> </ul>	<ul style="list-style-type: none"> <li>It is unknown when the Temporary Regulations will be finalized</li> </ul>
<b>Gain on sale of foreign partner's partnership interest</b> Sections 864(c)(8) and 1446(f)	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-113604-18) under section 864(c)(8) issued on December 26, 2018</li> <li>Proposed Regulation (REG-105476-18) under section 1446(f) issued May 7, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Provide general rules for computation of effectively connected income ("ECI") gain/loss</li> <li>Notification must be provided by transferor to partnership within 30 days of the transfer</li> <li>Partnership must provide notifying transferor with information to comply with section 864(c)(8) by the due date of the K-1</li> </ul>	<ul style="list-style-type: none"> <li>Final regulations implementing the proposed regulations are expected in 2020</li> </ul>
<b>Foreign Derived Intangible Income ("FDII")</b> Section 250	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-104464-18) issued March 4, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Strict documentation rules</li> <li>Complex rules for the qualification/determination of foreign derived deduction eligible income ("FDDEI")</li> <li>Coordination of sections 163(j), 172 and 250 limitations</li> </ul>	<ul style="list-style-type: none"> <li>Final regulations implementing the proposed regulations expected by the end of 2019</li> </ul>
<b>Investment in U.S. property</b> Section 956	<ul style="list-style-type: none"> <li>Proposed Regulation (REG-114540-18) issued October 31, 2018</li> <li>Final Regulation (TD 9859) issued May 23, 2019</li> </ul>	<ul style="list-style-type: none"> <li>Coordinates section 956 with section 245A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Transfer of Certain Foreign Branch Losses</b> Section 91	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Section 91 proposed regulations are yet to be released</li> </ul>

# Summary of existing regulatory guidance

Provision/Code Section	Regs. Release Date	Key Takeaways	Outstanding Guidance
<b>Transition Tax</b> Section 965	<ul style="list-style-type: none"> <li>• Notice 2018-07 issued on December 29, 2017</li> <li>• Notice 2018-13 issued on January 19, 2018</li> <li>• Revenue Procedure 2018-17 issued on February 13, 2018</li> <li>• Questions and Answers about Reporting Related to Section 965 on 2017 Tax Returns posted March 13, 2018</li> <li>• Notice 2018-26 issued on April 2, 2018</li> <li>• Proposed Regulation (REG-104226-18) issued August 1, 2018</li> <li>• Final Regulation (TD 9846) issued January 16, 2019</li> <li>• Questions and Answers about Tax Year 2018 Reporting and Payments Arising under Section 965 posted March 11, 2019</li> <li>• General Section 965 Questions and Answers (Including Transfer and Consent Agreements) posted on June 27, 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Largely follows guidance previously issued in Notices and IRS Q&amp;A</li> <li>• Provides an election to apply basis adjustments to the stock of deferred foreign income corporations ("DFICs" and E&amp;P deficit corporations)</li> <li>• Various elections not eligible for 9100 relief (transfer agreement)</li> <li>• Significant anti-avoidance rules</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Subpart F</b> Section 951(a)	<ul style="list-style-type: none"> <li>• Proposed Regulation (REG-101828-19) issued on June 14, 2019</li> </ul>	<ul style="list-style-type: none"> <li>• For purposes of determining the stock owned under section 958(a) by a partner of a domestic partnership, a domestic partnership is treated in the same manner as a foreign partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Final regulations implementing the proposed regulations are expected to be finalized in 2020</li> </ul>
<b>Downward attribution repeal</b> Section 958(b)(4)	<ul style="list-style-type: none"> <li>• Proposed Regulation (REG-104-223-18) issued on October 1, 2019</li> <li>• Revenue Procedure 2019-40 issued on October 1, 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed regulation revise a number of provisions outside of Subpart F that were affected by section 958(b)(4) repeal, generally by providing that downward attribution should not be taken into account</li> <li>• Rev. Proc 2019-40 provides safe harbors for 5471 filing requirements and use of alternative information for purposes of computing inclusions under section 951(a)</li> </ul>	<ul style="list-style-type: none"> <li>• Final regulations implementing the proposed regulations are expected to be finalized in 2020</li> </ul>

# Final GILTI Regs – At a glance

## What is the development?

- Final and temporary regulations released on June 14, 2019
- Issued under Sections 78, 861, 951, 951A, 965, 6038, and 6038A
- Primarily provide guidance relating to the calculation of GILTI, but also finalize a few proposed FTC regulations

## What are the highlights?

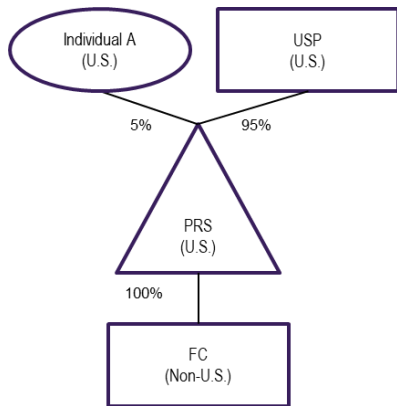
- Largely retained structure and approach from proposed regulations released in 2018
- Adopt aggregate approach to partnerships
- Provide certainty to taxpayers working on 2018 calculations
- Several taxpayer favorable modifications

## When do the rules apply?

Effective date – Generally, the GILTI regulations apply to **taxable years of foreign corporations beginning after Dec. 31, 2017**, and for taxable years of U.S. shareholders in which or with which such taxable years of foreign corporations end (Consistent with Sec. 951A). The FTC regulations have varying "special applicability dates."



# Partnership Examples in final regs

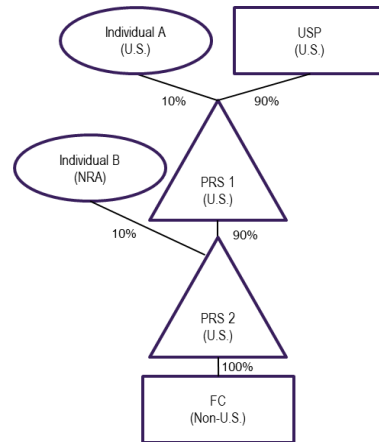


## **CFC and U.S. shareholder determinations**

PRS is a U.S. shareholder under section 951(b), and FC is a CFC under section 957(a). USP is a U.S. shareholder of FC. Individual A is not a U.S. shareholder of FC.

## **Application of Section 951A**

- USP is a U.S. shareholder of FC, and thus USP determines its income inclusions under section 951A based on its ownership of FC stock under section 958(a).
- Individual A is not a U.S. shareholder of FC, Individual A does not have a pro rata share of any amount of FC for purposes of section 951A.



## **CFC and U.S. shareholder determinations**

PRS1 is treated as owning 100% of the FC stock for purposes of determining the FC stock treated as owned by USP and Individual A under section 318(a)(2)(A). USP is treated as owning 90% of the FC stock under section 958(b) and Individual A is treated as owning 10% of the FC stock under section 958(b). Both USP and Individual A are U.S. shareholders of FC under section 951(b).

## **Application of Section 951A**

- USP is treated as owning 81% of the FC stock under section 958(a), and Individual A is treated as owning 9% of the FC stock under section 958(a).
- Because USP and Individual A are both United States shareholders of FC, USP and Individual A determine their respective pro rata shares of any tested item of FC based on their ownership of section 958(a) stock of FC.

# Prop. GILTI/Sub F Regs – At a glance

## What is the development?

- Proposed regulations released on June 14, 2019
- Issued under Sections 951, 951A, and 958
- Guidance relating to elective "GILTI High-tax Exclusion" ("GILTI HTE") and taxation of partners in domestic partnerships for purposes of subpart F

## What are the highlights?

- Adopt pure aggregate approach to domestic partnerships for purposes of Subpart F (consistent with treatment of GILTI under final GILTI regulations)
- Framework for a GILTI HTE
- Permits taxpayers to elect to exclude CFC income items from gross tested income when effective tax rate exceeds 90% of 21%

## When do the rules apply?

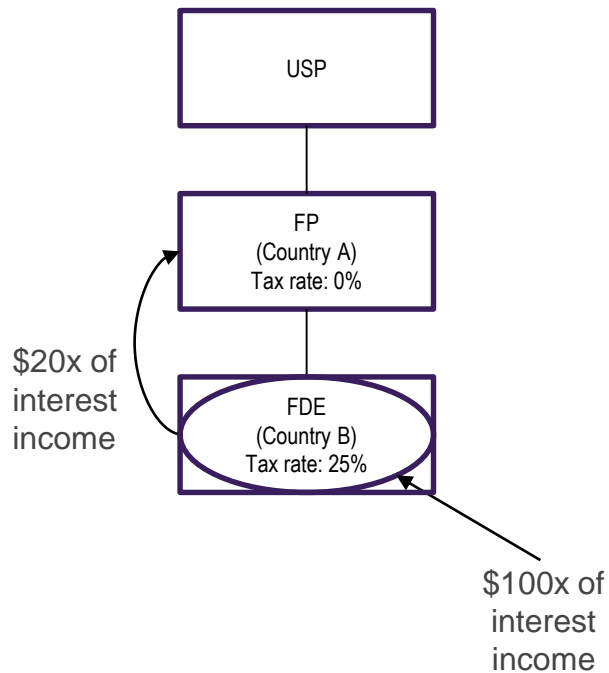
Effective date – Generally, the regulations apply to **taxable years of foreign corporations beginning on or after publication of the final regulations**

- Taxpayers may NOT rely on the GILTI HTE prior to finalization of the regulations
- A domestic partnership may rely on proposed aggregate treatment rules with respect to taxable years of foreign corporations beginning after December 31, 2017, provided the rules are consistently applied

# High-Tax Exclusion – Common themes in comment letters

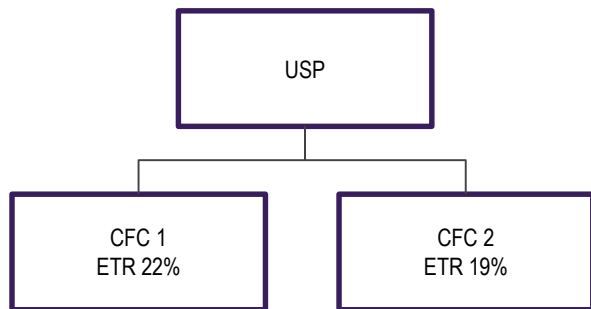
- A Treasury official provided at the ABA 2019 Fall Tax Meeting that more than 30 comments have been received on the "HTE" proposed regulations.
- These comments can be grouped into six buckets:
  1. The applicability date and whether the IRS would consider allowing the exception to be elected into for all open years
  2. Determination of the HTE on a CFC by CFC basis
  3. Impact of local tax rates on the ETR determination
  4. Whether the election can be made/changed on an annual basis
  5. Mechanics of making the election, including who files the election
  6. Definition of a CFC group

# HTE Example



- FP and FDE incur no other deductions in Year 1 for Federal income tax purposes.
- FP's tentative gross tested income attributable to the Country A Business is \$20x, and its tentative gross tested income attributable to the Country B Business is \$80x.
- FP's tentative net tested income item attributable to the Country A Business is \$20x.
- Taking into account the \$20x deduction for Country B income taxes that are allocable to the Country B Business under §1.960-1(d)(3), FP's tentative net tested income item attributable to the Country B Business is \$60x (tentative gross tested income of \$80x less the \$20x tax deduction).
- ETR Test:
  - FDE = 25% ( $\$20x \text{ tax} / \$80x$  (\$60x of tentative tested net income = \$20x of taxes) - Qualifies for GILTI HTE
  - FP = 0% - Does not qualify for GILTI HTE

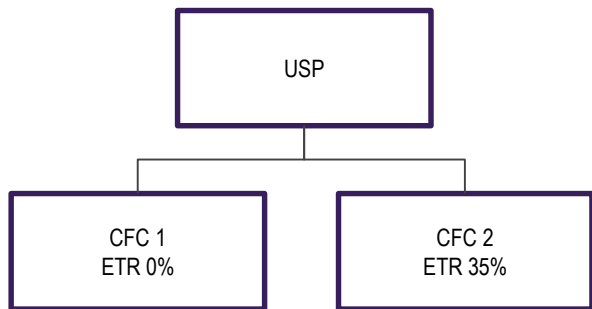
# HTE Considerations



- USP has net operating losses of \$500 in the current period
- CFC 1 and CFC 2 each have tested income of \$100, and no QBAI or tested interest expense, resulting in a \$200 GILTI inclusion at USP
- Electing into the HTE could preserve NOLs by excluding the income from tested income

	With "HTE"	Without "HTE"
GILTI Inclusion	\$0	\$200
USP Operating Loss	(\$500)	(\$500)
Taxable Income/(Loss) Available for Carryforward	(\$500)	(\$300)

# HTE Considerations



- CFC 1 and CFC 2 each have tested income of \$100, and no QBAI or tested interest expense, resulting in a \$200 GILTI inclusion at USP
- USP ability to use FTCs is not limited by section 904
- Electing the HTE could cause USP to owe incremental tax on CFC 1's tested income that would have otherwise been covered by excess foreign taxes paid by CFC 2

	With "HTE"	Without "HTE"
GILTI inclusion	\$100.00	\$200.00
Sec. 78 gross up	\$0.00	\$35.00
Sec. 250 deduction	(\$50.00)	(\$117.50)
Taxable income	\$50.00	\$117.50
Tax liability (@ 21%) before credit	\$10.50	\$24.68
Foreign Tax Credit	\$0	(\$35.00)
Tax liability after credit	\$10.50	-

# Prop. FTC Regs – At a glance

## What is the development?

- Proposed regulations released on November 28, 2018
- Issued under Sections 861, 904, 960, 78, 965, 954
- Extremely mechanical set of rules containing a number of new operative rules

## What are the highlights?

- Provide transition rules to account for new categories of income under section 904
- Special rules for the treatment of section 245A eligible dividends when computing the section 904 limitation
- Special rules for CFC stock characterization

## When do the rules apply?

Effective date – In general, the portions of the proposed regulations that relate to statutory amendments made by TCJA apply to taxable years beginning after December 22, 2017

- Certain other portions not related to TCJA apply to taxable years ending on or after December 4, 2018.
- A number of provisions have "special applicability" dates

# Expense apportionment- Open questions remain

Treas. Reg. Sec. 1.861-8(e)(4)(ii) provides "[s]tewardship expenses, which result from "overseeing" functions undertaken for a corporation's own benefit as an investor in a related corporation, shall be considered **definitely related and allocable to dividends received, or to be received**, from the related corporation."

Do dividends included GILTI and subpart F inclusions?

Treas. Reg. Sec. 1.861-17 allocates research and expenditure expenses between statutory and residual groups based on, among other things, product categories.

Are sales grouped based on the character of the income at the CFC level or U.S. shareholder?



# Prop. BEAT Regs – At a glance

## What is the development?

- Proposed regulations (REG-104259-18) released on December 13, 2018
- Regulations resolve many threshold questions surrounding BEAT
- Issued under sections 59A, 383, 1502, 6038A, and 6655

## What are the highlights?

- Only mark-up component of services cost method ("SCM") payments are a base erosion payment ("BEP")
- Favorable transition rules addressing BEPs and NOLs originating before the effective date
- Determination of BEP relies on longstanding federal tax principals
- Non-recognition transactions may result in a BEP

## When do the rules apply?

The proposed regulations apply to taxable years beginning after December 31, 2017 (however, if not finalized by June 22, the IRS generally expects the regulations to be effective for tax years ending on or after December 17, 2018)

# BEAT and FTC interaction - Example

	Taxable Income	Modified Taxable Income
Gross Income	5,000	5,000
Royalty Deduction	(4,000)	
GILTI	5,000	5,000
Section 78	755	755
GILTI Deduction	2,878	2,878
Taxable Income	3,878	7,878
Tax Rate	21%	10%
Tax Liability	814	788
FTC	604	N/A
Tax Due	210	788

	Greater of the two
Total Tax Due	788
Incremental BEAT	578
Regular Tax	210

	Taxable Income	Modified Taxable Income	GILTI
Gross Income	5,000	5,000	
Royalty Deduction	(4,000)		
GILTI			5,000
Section 78			755
GILTI Deduction			2,878
Taxable Income	1,000	5,000	2,878
Tax Rate	21%	10%	21%
Tax Liability	210	500	604
FTC	-	-	604
Tax Due	210	500	0

	Greater of the two
Total Tax Due	500
Incremental BEAT	290
Regular Tax	210
GILTI Tax	0

GILTI Taxable Income	2,878
BEAT Tax Rate	10%
	288

Difference
288
288
-
-

# Prop. Sec. 163(j) Regs – At a glance

## What is the development?

- Proposed Regulations (REG-106089-18) issued on November 26, 2018.
- Issued under sections 163(j), 263A, 381, 382, 383, 446, 469, 860C, 1502, and 1504
- The proposed rules provide operating rules and address the relationship between section 163(j) and certain other provisions.

## What are the highlights?

- Broad definition of interest
- Complex CFC grouping election
- Applies to CFCs for purposes of computing tested income
- Applies to foreign corporations subject to U.S. tax

## When do the rules apply?

Rules apply to taxable years ending after the date on which the final regulations are published in the Federal Register, however taxpayers and related parties may apply the proposed rules retroactively to taxable years beginning after December 31, 2017 (if applied consistently).

# Prop. Sec. 250 Regs – At a glance

## What is the development?

- Proposed regulations (REG-104464-18) released on March 4, 2019
- Issued under Sections 250, 962, 1502, 6038, and 6038A
- Primarily provide guidance relating to the calculation of a domestic corporation's FDII deduction

## What are the highlights?

- Strict documentation rules for FDII
- Ind. relief – Sec. 962 election allows Sec. 250 benefit
- Complex rules - qualification/determination of FDDEI
- Interaction between Sections 163(j), 172 and 250
- Combined treatment of consolidated groups

## When do the rules apply?

Rules apply to tax years ending on or after Mar. 4, 2019. For tax years beginning before Mar. 4, Taxpayers may use "any reasonable documentation maintained in the ordinary course of business," to satisfy documentation requirements. Consolidated rules apply to consolidated group tax years ending on or after publication of final regulations. Taxpayers may rely on rules (subject to the reduced documentation standards above) for taxable year ending before Mar. 4.

# Sec. 958(b)(4) Prop. Regs. – At a glance

## What is the development?

- On October 1, 2019 the IRS issued proposed regulations [REG-104223-18]
- The regulations address unintended consequences resulting from the repeal of section 958(b)(4) by the TCJA
- Issued under sections 267, 332, 367, 672, 706, 863, 904, 1297 and 6049

## What are the highlights?

- Generally modify the definition of a CFC to address specific situations where application of the downward attribution rules would cause unintended results
- Provide relief to taxpayers in some cases, close loopholes in others
- Portfolio interest exemption, section 898, look-thru rules in section 954(c)(6) were not addressed

## When do the rules apply?

The regulations are generally proposed to apply to tax years ending on or after October 1, 2019, and also apply to certain relevant transactions that occur on or after October 1, 2019. Each individual proposed regulation can be applied to the last taxable year that begins before January 1, 2018 (and each subsequent year) provided that the taxpayer and related persons consistently apply that particular proposed regulation.

# Rev. Proc. 2019-40

- Rev. Proc. 2019-40 provides guidance to taxpayers in applying the impact of the repeal of Section 958(b)(4) in several areas. Specifically, the revenue procedure:
  - Provides three safe harbor rules for information gathering and reporting,
  - Addresses the applicability of certain penalties, and
  - Revises the requirements for certain U.S. shareholders to file or report certain information on Form 5471.
- The safe harbors are generally limited to U.S. shareholders of “foreign-controlled CFCs”, which are foreign corporations that would not be CFCs without downward attribution

# Rev. Proc. 2019-40 – Safe harbors

- Determining CFC status – satisfied only if the U.S. Person:
  - Has no actual knowledge that the entity is a CFC
  - Has not received a statement providing that the entity is a CFC
  - No reliable publicly available information indicating that the entity is a CFC
    - Additional Requirements if a U.S. person owns a direct interest in a foreign top-tier entity
- Use of alternative information to determine Subpart F and GILTI inclusions and reporting on Form 5471
  - Can only be used if the foreign-controlled CFC does not have a related section 958(a) U.S. shareholder and the information is not otherwise readily available
  - Hierarchical list of what can be relied upon (e.g. audited financial statements, unaudited financial statements, and other internal records)
- Safe harbor for using alternative information for determining section 965 amounts and reporting on Form 5471
  - Applies only to SFCs which are not foreign controlled CFCs with a related 958(a) US shareholder or a US Controlled CFC



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# What's next?

Regulatory guidance expected in the near future



# What's in the pipeline?

## Department of the Treasury

**AGENCY:** TREAS-IRS  
**TITLE:** Section 59A Proposed Regulations [TCJA]  
**STAGE:** Final Rule  
**RECEIVED DATE:** 09/16/2019

**RIN:** [1545-BO56](#)  
**ECONOMICALLY SIGNIFICANT:** No  
**LEGAL DEADLINE:** None

**Status:** [Pending Review](#)

**AGENCY:** TREAS-IRS  
**TITLE:** Base Erosion and Anti-Abuse Tax Proposed Regulations [TCJA]  
**STAGE:** Proposed Rule  
**RECEIVED DATE:** 09/16/2019

**RIN:** [1545-BP36](#)  
**ECONOMICALLY SIGNIFICANT:** No  
**LEGAL DEADLINE:** None

**Status:** [Pending Review](#)

**AGENCY:** TREAS-IRS  
**TITLE:** Tax Cuts and Jobs Act (TCJA) Foreign Tax Credit Guidance [TCJA]  
**STAGE:** Final Rule  
**RECEIVED DATE:** 10/03/2019

**RIN:** [1545-BP19](#)  
**ECONOMICALLY SIGNIFICANT:** No  
**LEGAL DEADLINE:** None

**Status:** [Pending Review](#)

**AGENCY:** TREAS-IRS  
**TITLE:** Follow-on Guidance Related to the Foreign Tax Credit, Including Guidance Implementing Changes Made by the Tax Cuts and Jobs Act [TCJA]  
**STAGE:** Proposed Rule  
**RECEIVED DATE:** 10/03/2019

**RIN:** [1545-BP21](#)  
**ECONOMICALLY SIGNIFICANT:** No  
**LEGAL DEADLINE:** Statutory

**Status:** [Pending Review](#)

FTC regulations are no longer under OIRA review as of 10/31/2019

# What's expected next?

## Rumored by end of 2019

- Final section 163(j) regulations
- Final FDII regulations
- Section 385 guidance

## Potentially in 2020

- Final anti-hybrid regulations
- Previously taxed earnings and profits guidance and stock basis guidance under section 961
- Final regulations on the gain on sale of foreign partner's partnership interest
- Final section GILTI HTE regulations

Beyond these, there are numerous other grants of authority that remain open

# Any final questions?



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