

Foreign Tax Administration

NFTC

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Topics

- Foundation
- Historical practices
- New reality

Foundation

- Substantial subsidiaries
- Appropriate legal agreements
- Consistent transfer pricing and employment practices
 - Extensive transfer pricing documentation
- Significant involvement with international tax policy organizations

Historical practices

- Leverage local subsidiary financial management for local issues
 - Local outside advisors
 - Regional internal tax support
- Corporate involvement in transfer pricing issues
 - Multinational outside advisors
- Foreign affiliates as counterparties
- Resolve issues locally

New reality

- Expanding into more source country jurisdictions
- Greater corporate level involvement at all levels
 - Local country internal tax support
 - Multinational tax advisors
- U.S. affiliates as counterparties
- Formal dispute resolution
 - MAP, APA, pursue all administrative remedies