

Admiral Acquisition Limited
Ritter House
Wickhams Cay II, Road Town, Tortola VG 1110
British Virgin Islands

Admiral Acquisition Limited
PFIC Annual Information Statement and Form 5471

Dear Sir or Madam:

Please find attached the PFIC Annual Information Statement (the “**PFIC Statement**”) and the pro forma Form 5471 - “Information Return of U.S. Persons With Respect to Certain Foreign Corporations” (the “**Form 5471**”) for Admiral Acquisition Limited (the “**Company**”) for the tax year ended December 15, 2024.

Effective December 16, 2024, Acuren Corporation (formerly known as Admiral Acquisition Limited) filed a Certificate of Conversion under the laws of the British Virgin Islands (BVI) and after that Acuren filed articles of incorporation and became a Delaware corporation. The effect of this transaction is that Acuren Corporation was domiciled to the United States. This domestication is viewed as an inbound type “F” reorganization under Section 368(a)(1)(F).

This information is being provided to U.S. shareholders as a guide to assist them in evaluating whether or not to make a Qualified Electing Fund Election (the “QEF Election”), computing their pro rata share of the ordinary earnings and net capital gain of the Company if such election is made, and reporting their income to the IRS. Each U.S. shareholder should consult their own tax advisor as to the tax consequences of making such election.

The PFIC Statement provides information in the aggregate amount to the Company. Each U.S. shareholder of the Company will need to make their own determination as to their respective proportionate share of the aggregate amounts set forth in the PFIC Statement. The PFIC statement is for the period December 1, 2023 to December 15, 2024. According to internal revenue code 441(b)(1), U.S. taxable income may be computed based on a fiscal year end so long as a fiscal year is the accounting period (i.e. used on the audited financial statements).

We have not made a determination of whether or not the Company is a Controlled Foreign Corporation (“CFC”). Each U.S. Holder of securities needs to make their own determination as to the timing and character of income. We have provided a pro forma Form 5471 on an aggregate level for the Company to assist those U.S. shareholders who may be required to file such form. As a result of indirect ownership rules and ownership attribution rules you may not be able to identify all holders that are considered “United States shareholders” and may choose to send the information to all U.S. shareholders of securities that are treated as equity for U.S. federal income tax purposes. Such shareholders should then forward both forms to their individual tax advisors in order to determine the appropriate Category of Filer under which to file the Form 5471, as well as to determine which requirements need to be completed specific to each U.S. Holder.

We have preliminarily answered all questions in Schedule G of form 5471 based on information available at the Company level. Please note that many questions require information at the U.S. Holder level and as such each U.S. Holder should consult their own tax advisor to determine the applicable answers.

U.S. Holders of securities should consult their own tax advisors as to their individual filing requirements with respect to their investment in the Company, including but not limited to the

We have relied upon information provided to us by Admiral Acquisition Limited. We have not independently verified the accuracy of the information provided or whether it represents all of the income and expenses of the Company. The PFIC Statement and Form 5471 were prepared pursuant to an engagement with the Company. Thus, it should not be viewed as constituting tax advice to the U.S. Holders of the issued securities.

THE DISCUSSION ABOVE, WHICH IS BASED ON CURRENT TAX LAW AND TREASURY REGULATIONS (WHICH ARE SUBJECT TO CHANGE), IS NOT INTENDED TO CONSTITUTE TAX ADVICE. DUE TO THE COMPLEXITY OF THE TAX RULES RELATING TO PFICS, YOU ARE STRONGLY URGED TO CONSULT YOUR OWN TAX ADVISOR CONCERNING (A) THE IMPACT OF THESE RULES ON YOUR INVESTMENT IN COMPANY SHARES AND ON YOUR INDIVIDUAL SITUATION, (B) WHETHER YOU SHOULD MAKE A QEF ELECTION, (C) THE PROPER MANNER FOR MAKING A QEF ELECTION AND REPORTING THE INCOME ATTRIBUTABLE TO YOUR INVESTMENT IN THE COMPANY ON YOUR TAX RETURN, AND (D) THE TAX CONSEQUENCES OF MAKING A QEF ELECTION FOR A YEAR OTHER THAN THE FIRST YEAR YOU ARE ELIGIBLE TO DO SO UNDER THE PFIC RULES.

IMPORTANT TAX NOTICE

PFIC Annual Information Statement for U.S. Shareholders

This statement is provided for shareholders of Admiral Acquisition Limited (“Admiral”) who are U.S. persons for purposes of the U.S. Internal Revenue Code of 1986, as amended (the “IRC”), and the regulations thereunder. It is not relevant to other shareholders.

Admiral believes that it was classified as a passive foreign investment company (“PFIC”), as defined in Section 1297(a) of the IRC, for its fiscal year ended December 15, 2024, and expects that it may also be classified as a PFIC in subsequent years. Admiral is hereby making available a PFIC Annual Information Statement for its fiscal year ended December 15, 2024, pursuant to Treasury Regulations Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you, should you choose based on the advice of your tax advisors in light of your personal tax circumstances, to elect to treat Admiral as qualified electing fund (“QEF”).

This information is provided in order to assist shareholders in making calculations and does not constitute tax advice. The U.S. tax laws regarding PFICs are extremely complex and shareholders are advised to consult their own tax advisers concerning the overall tax consequences of their respective investment in, and ownership of shares of, Admiral under U.S. federal, state, local, and non-U.S. law.

Admiral Acquisition Limited
PASSIVE FOREIGN INVESTMENT COMPANY ("PFIC")
ANNUAL INFORMATION STATEMENT
TAXABLE PERIOD December 1, 2023 – December 15, 2024

Issuer Name:
Issuer Address:

Admiral Acquisition Limited
Ritter House
Wickhams Cay II, Road Town
Tortola, VG 1110, British Virgin Islands

EMPLOYER IDENTIFICATION NUMBER (EIN):

NOT APPLICABLE

Founder Preferred Shares:	1,000,000.00
Founder Preferred Shares per 1,000:	1,000.0

	<u>Total</u>	<u>Per 1,000 Original Face Amount Per Day</u>
Ordinary Earnings:	\$ 103,071	.270529

Net capital gain: \$ - 0

The amount of cash and fair market value of other property distributed or deemed distributed to the Founder Preferred Shares during the taxable year.

Cash: NONE

Fair market value of other property: NONE

In accordance with Treas. Reg. § 1.1295-1(g)(1)(iv), the Issuer represents that it will permit any holder of Founder Preferred Shares to inspect and copy the Issuer's permanent books of account, records, and such other documents as may be maintained by the Issuer to establish that the Issuer's ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify such amounts.

Please note that Founder Preferred Shares are stated in the number of shares, and not their dollar value.

Instructions for investors pro-rata share of Income:

The ordinary earnings and net capital gains disclosed above represent 100% of the income for the entire class of Founder Preferred Shares. To compute your pro-rata share, perform the following steps for both ordinary earnings and net capital gains.

Step 1	Divide the original face or par amount of your Founder Preferred Shares by 1,000 ("Ownership Factor")
Step 2	Multiply the Ownership Factor by the Per 1,000 Original Face Amount Per Day ("Your Daily Amount")
Step 3	Multiply Your Daily Amount by the number of days you held your Founder Preferred Shares during the Issuer's taxable year (note that the Issuer's taxable year included 381 days)

By: _____

Title: _____

Date: _____

IMPORTANT TAX NOTICE

PFIC Annual Information Statement for U.S. Shareholders

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Admiral believes that it was classified as a passive foreign investment company (“PFIC”), as defined in Section 1297(a) of the IRC, for its fiscal year ended December 15, 2024 and expects that it may also be classified as a PFIC in subsequent years. Admiral is hereby making available a PFIC Annual Information Statement for its fiscal year ended December 15, 2024, pursuant to Treasury Regulations Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you, should you choose based on the advice of your tax advisors in light of your personal tax circumstances, to elect to treat Admiral as qualified electing fund (“QEF”).

This information is provided in order to assist shareholders in making calculations and does not constitute tax advice. The U.S. tax laws regarding PFICs are extremely complex and shareholders are advised to consult their own tax advisers concerning the overall tax consequences of their respective investment in, and ownership of shares of, Admiral under U.S. federal, state, local, and non-U.S. law.

Admiral Acquisition Limited
PASSIVE FOREIGN INVESTMENT COMPANY ("PFIC")
ANNUAL INFORMATION STATEMENT
TAXABLE PERIOD December 1, 2023 – December 15, 2024

Issuer Name:
Issuer Address:

Admiral Acquisition Limited
Ritter House
Wickhams Cay II, Road Town
Tortola, VG 1110, British Virgin Islands

EMPLOYER IDENTIFICATION NUMBER (EIN):

NOT APPLICABLE

Ordinary Shares:
Ordinary Shares per 1,000:

121,476,215
121,476

	<u>Total</u>	<u>Per 1,000 Original Face Amount Per Day</u>
Ordinary Earnings:	\$ 12,520,733	270529

Net capital gain: \$ - 0

The amount of cash and fair market value of other property distributed or deemed distributed to the Ordinary Shares during the taxable year.

Cash: **NONE**

Fair market value of other property: **NONE**

In accordance with Treas. Reg. § 1.1295-1(g)(1)(iv), the Issuer represents that it will permit any holder of Ordinary Shares to inspect and copy the Issuer's permanent books of account, records, and such other documents as may be maintained by the Issuer to establish that the Issuer's ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify such amounts.

Please note that Ordinary Shares are stated in the number of shares, and not their dollar value.

Instructions for investors pro-rata share of Income:

The ordinary earnings and net capital gains disclosed above represent 100% of the income for the entire class of Ordinary Shares. To compute your pro-rata share, perform the following steps for both ordinary earnings and net capital gains.

- Step 1** Divide the original face or par amount of your Ordinary Shares by 1,000 ("Ownership Factor")
Step 2 Multiply the Ownership Factor by the Per 1,000 Original Face Amount Per Day ("Your Daily Amount")
Step 3 Multiply Your Daily Amount by the number of days you held your Ordinary Shares during the Issuer's taxable year (note that the Issuer's taxable year included 381 days)

By: _____
Title: _____
Date: _____

**Information Return of U.S. Persons With Respect
to Certain Foreign Corporations**

OMB No. 1545-0123

Go to www.irs.gov/Form5471 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **DEC 1**, 20 **23**, and ending **DEC 15**, 20 **24**

Attachment
Sequence No. **121**

Name of person filing this return	A Identifying number
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)	B Category of filer (See instructions. Check applicable box(es).): 1a ☐ 1b ☐ 1c ☐ 2 ☐ 3 ☐ 4 ☐ 5a ☐ 5b ☐ 5c ☐
City or town, state, and ZIP code	C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period %
Filer's tax year beginning , 20 , and ending , 20	
D Check box if this is a final Form 5471 for the foreign corporation ☐	
E Check if any excepted specified foreign financial assets are reported on this form (see instructions) ☐	
F Check the box if this Form 5471 has been completed using "Alternative Information" under Rev. Proc. 2019-40 ☐	
G If the box on line F is checked, enter the corresponding code for "Alternative Information" (see instructions)	
H Person(s) on whose behalf this information return is filed:	

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation ADMIRAL ACQUISITION LIMITED RITTER HOUSE WICKHAMS CAY II, ROAD TOWN, TORTOLA VG 1110 BRITISH VIRGIN ISLANDS				b(1) Employer identification number, if any		
				b(2) Reference ID number (see instructions)		
				b(3) Previous reference ID number(s), if any (see instructions)		
				c Country under whose laws incorporated BRITISH VIRGIN ISLANDS		
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency code		
12/15/22	BRITISH VIRGIN ISLANDS	525990	INVESTMENT	USD		

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation RITTER HOUSE 5TH FLOOR WICKHAMS CAY II, ROAD TOWN, TORTOLA BRITISH VIRGIN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different OAK FUND SERVICES (GUERNSEY) LIMITED PO BOX 282 OAK HOUSE GUERNSEY GY1 3RH GUERNSEY	

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOUNDER PREFERRED SHARES	1,000,000	0
ORDINARY SHARES	53,975,000	0

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)

Part II Direct Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder. Also, include country of incorporation or formation, if applicable.	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. generally accepted accounting principles (GAAP). Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for dollar approximate separate transactions method (DASTM) corporations.

			Functional Currency	U.S. Dollars
Income	1a	Gross receipts or sales	1a	
	b	Returns and allowances	1b	
	c	Subtract line 1b from line 1a	1c	
	2	Cost of goods sold	2	
	3	Gross profit (subtract line 2 from line 1c)	3	
	4	Dividends	4	
	5	Interest	5	25,264,000
	6a	Gross rents	6a	
	b	Gross royalties and license fees	6b	
	7	Net gain or (loss) on sale of capital assets	7	
Deductions	8a	Foreign currency transaction gain or loss—unrealized	8a	
	b	Foreign currency transaction gain or loss—realized	8b	
	9	Other income (attach statement)	9	-18,875,755
	10	Total income (add lines 3 through 9)	10	6,388,245
	11	Compensation not deducted elsewhere	11	
	12a	Rents	12a	
	b	Royalties and license fees	12b	
	13	Interest	13	
Net Income	14	Depreciation not deducted elsewhere	14	
	15	Depletion	15	
	16	Taxes (exclude income tax expense (benefit))	16	
	17	Other deductions (attach statement—exclude income tax expense (benefit))	17	19,143,441
	18	Total deductions (add lines 11 through 17)	18	19,143,441
	19	Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-12,755,196
Other Comprehensive Income	20	Unusual or infrequently occurring items	20	
	21a	Income tax expense (benefit)—current	21a	
	b	Income tax expense (benefit)—deferred	21b	
	22	Current year net income or (loss) per books (combine lines 19 through 21b)	22	-12,755,196
	23a	Foreign currency translation adjustments	23a	
	b	Other	23b	
	c	Income tax expense (benefit) related to other comprehensive income	23c	
	24	Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1 2,662,000	0
2a	Trade notes and accounts receivable	2a 550,789,000	0
b	Less allowance for bad debts	2b () ()	
3	Derivatives	3	
4	Inventories	4	
5	Other current assets (attach statement)	5	
6	Loans to shareholders and other related persons	6	
7	Investment in subsidiaries (attach statement)	7	
8	Other investments (attach statement)	8	
9a	Buildings and other depreciable assets	9a	
b	Less accumulated depreciation	9b () ()	
10a	Depletable assets	10a	
b	Less accumulated depletion	10b () ()	
11	Land (net of any amortization)	11	
12	Intangible assets:		
a	Goodwill	12a	
b	Organization costs	12b	
c	Patents, trademarks, and other intangible assets	12c	
d	Less accumulated amortization for lines 12a, 12b, and 12c	12d () ()	
13	Other assets (attach statement)	13 401,000	0
14	Total assets	14 553,852,000	0
Liabilities and Shareholders' Equity			
15	Accounts payable	15	
16	Other current liabilities (attach statement)	16 625,000	0
17	Derivatives	17	
18	Loans from shareholders and other related persons	18	
19	Other liabilities (attach statement)	19	
20	Capital stock:		
a	Preferred stock	20a 1,000,000	0
b	Common stock	20b 53,975,000	0
21	Paid-in or capital surplus (attach reconciliation)	21 484,259,000	0
22	Retained earnings	22 13,993,000	0
23	Less cost of treasury stock	23 () ()	
24	Total liabilities and shareholders' equity	24 553,852,000	0

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required statement.		✓
2 During the tax year, did the foreign corporation own an interest in any trust?		✓
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		✓
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)? If "Yes," complete lines 4b and 4c.		✓
b Enter the total amount of the base erosion payments \$ _____		
c Enter the total amount of the base erosion tax benefits \$ _____		
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? If "Yes," complete line 5b.		✓
b Enter the total amount of the disallowed deductions (see instructions) \$ _____		

Schedule G Other Information (continued)

	Yes	No
6a Is the filer claiming a foreign-derived intangible income (FDII) deduction (under section 250) with respect to any transactions with the foreign corporation? If "Yes," complete lines 6b, 6c, and 6d. See instructions.		✓
b Enter the amount of gross receipts derived from all sales of general property to the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) . . . \$ _____		
c Enter the amount of gross receipts derived from all sales of intangible property to the foreign corporation that the filer included in its computation of FDDEI \$ _____		
d Enter the amount of gross receipts derived from all services provided to the foreign corporation that the filer included in its computation of FDDEI \$ _____		
7 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? If the answer to question 7 is "Yes," complete a separate Schedule G-1 for each cost sharing arrangement in which the foreign corporation was a participant during the tax year.		✓
8 From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		✓
9a Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the tax year? If "Yes," go to line 9b.		✓
b Enter in functional currency the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the tax year _____		
10 During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)? If "Yes," see instructions and attach statement.		✓
11 During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		✓
12 During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		✓
13 During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		✓
14 Did you answer "Yes" to any of the questions in the instructions for line 14? If "Yes," enter the corresponding code(s) from the instructions and attach statement _____ DED	✓	
15 Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)? If "Yes," enter the amount \$ _____		✓
16 Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)? If "Yes," enter the amount \$ _____		✓
17a Did any extraordinary reduction with respect to a controlling section 245A shareholder occur during the tax year (see instructions)?		✓
b If the answer to question 17a is "Yes," was an election made to close the tax year such that no amount is treated as an extraordinary reduction amount or tiered extraordinary reduction amount (see instructions)?		✓
18a Did the filer have any loan to or from the foreign corporation to which the safe-haven rate rules of Regulations section 1.482-2(a)(2)(iii)(B) are applicable, and for which the filer used a rate of interest within the relevant safe-haven range (100% to 130% of the applicable Federal rate (AFR) for the relevant term)?		✓
b Did the filer have any loan to or from the foreign corporation to which the safe-haven rate rules of Regulations section 1.482-2(a)(2)(iii)(B) are applicable, and for which the filer used a rate of interest outside the relevant safe-haven range (100% to 130% of the AFR for the relevant term)?		✓
19a Did the filer issue a covered debt instrument in any of the transactions described in Regulations section 1.385-3(b)(2) with respect to the foreign corporation during the tax year, or, did the filer issue or refinance indebtedness owed to the foreign corporation during the 36 months before or after the date of a distribution or acquisition described in Regulations section 1.385-3(b)(3)(i) made by the filer, and either the issuance or refinance of indebtedness, or the distribution or acquisition, occurred during the tax year?		✓
b If the answer to question 19a is "Yes," provide the following. (1) The amount of such transaction(s), distribution(s), and acquisition(s) \$ _____ (2) The amount of such related party indebtedness \$ _____		

Schedule G

Other Information (continued)

	Yes	No
20a During the tax year, did the foreign corporation pay or accrue any Top-up Tax? See instructions		✓
b If the answer to question 20a is "Yes," enter the amount of each type of tax paid or accrued. See instructions.		
(1) Income Inclusion Rule (IIR) (or similar taxes) \$		
(2) Qualified Domestic Minimum Top-up Tax (QDMTT) (or similar taxes) \$		
(3) UTPR (or similar taxes) \$		

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

If item H on page 1 is completed, a separate Schedule I must be filed for each Category 4, 5a, or 5b filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder	Identifying number		
1a Section 964(e)(4) subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)	1a		
b Section 245A(e)(2) subpart F income from hybrid dividends of tiered corporations (see instructions)	1b		
c Subpart F income from tiered extraordinary disposition amounts not eligible for subpart F exception under section 954(c)(6)	1c		
d Subpart F income from tiered extraordinary reduction amounts not eligible for subpart F exception under section 954(c)(6)	1d		
e Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)	1e		
f Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)	1f		
g Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)	1g		
h Other subpart F income (enter result from Worksheet A)	1h		
2 Earnings invested in U.S. property (enter the result from Worksheet B)	2		
3 Reserved for future use	3		
4 Factoring income	4		
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.			
5a Section 245A eligible dividends (see instructions)	5a		
b Extraordinary disposition amounts (see instructions)	5b		
c Extraordinary reduction amounts (see instructions)	5c		
d Section 245A(e) dividends (see instructions)	5d		
e Dividends not reported on line 5a, 5b, 5c, or 5d	5e		
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6		
7a Was any income of the foreign corporation blocked?		Yes	No
b Did any such income become unblocked during the tax year (see section 964(b))?			✓
If the answer to either question is "Yes," attach an explanation.			
8a Did this U.S. shareholder have an extraordinary disposition (ED) account with respect to the foreign corporation at any time during the tax year (see instructions)?			✓
b If the answer to question 8a is "Yes," enter the U.S. shareholder's ED account balance at the beginning of the CFC year \$_____ and at the end of the tax year \$_____. Provide an attachment detailing any changes from the beginning to the ending balances.			
c Enter the CFC's aggregate ED account balance with respect to all U.S. shareholders at the beginning of the CFC year \$_____ and at the end of the tax year \$_____. Provide an attachment detailing any changes from the beginning to the ending balances.			
9 Enter the sum of the hybrid deduction accounts with respect to stock of the foreign corporation (see instructions) \$_____			

**SCHEDULE E
(Form 5471)**(Rev. December 2021)
Department of the Treasury
Internal Revenue Service**Income, War Profits, and Excess Profits Taxes Paid or Accrued**▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471

Identifying number

Name of foreign corporation

ADMIRAL ACQUISITION LIMITED

EIN (if any)

Reference ID number (see instructions)**A**

- a** Separate Category (Enter code - see instructions.) ▶ **PAS**
- b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶
- c** If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions) ▶

Part I Taxes for Which a Foreign Tax Credit Is Allowed**Section 1 - Taxes Paid or Accrued Directly by Foreign Corporation**

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Unsuspended Taxes	(d) Country or U.S. Possession to Which Tax Is Paid (Enter code - see instructions. Use a separate line for each.)	(e) Foreign Tax Year of Payor Entity to Which Tax Relates (Year/Month/Day)	(f) U.S. Tax Year of Payor Entity to Which Tax Relates (Year/Month/Day)
1						
2						
3						
4						

	(g) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(h) If taxes are paid on U.S. source income, check box	(i) Local Currency in Which Tax Is Payable (enter code - see instructions)	(j) Tax Paid or Accrued (in local currency in which the tax is payable)	(k) Conversion Rate to U.S. Dollars	(l) In U.S. Dollars (divide column (j) by column (k))	(m) In Functional Currency of Foreign Corporation
1							
2							
3							
4							
5	Total (combine lines 1 through 4 of column (l)). Also report amount on Schedule E-1, line 4 ▶						
6	Total (combine lines 1 through 4 of column (m)) ▶						

Section 2 - Taxes Deemed Paid by Foreign Corporation

	(a) Name of Lower-Tier Distributing Foreign Corporation	(b) EIN or Reference ID Number of Lower-Tier Distributing Foreign Corporation	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) PTEP Group (enter code)	(e) Annual PTEP Account (enter year)
1					
2					
3					
4					

	(f) PTEP Distributed (enter amount in functional currency)	(g) Total Amount of PTEP in the PTEP Group (in functional currency)	(h) Total Amount of the PTEP Group Taxes With Respect to PTEP Group (USD)	(i) Foreign Income Taxes Properly Attributable to PTEP and not Previously Deemed Paid ((column (f)/column (g)) x column (h)) (USD)
1				
2				
3				
4				
5	Total (combine lines 1 through 4 of column (i)). Also report amount on Schedule E-1, line 6 ▶			

Name of foreign corporation ADMIRAL ACQUISITION LIMITED	EIN (if any)	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.)		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions)		
c If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions)		

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes ☒ No ☐ If "Yes," state date of election ▶**Part III Taxes for Which a Foreign Tax Credit Is Disallowed** (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID No. of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Suspended Taxes	(h) Other	(i) Total
1									
2									
3	In functional currency (combine lines 1 and 2)								▶
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions))								▶

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Earnings and Profits (E&P) of Foreign Corporation**IMPORTANT:** Enter amounts in U.S. dollars.**Taxes related to:**

		(a) Subpart F Income	(b) Tested Income	(c) Residual Income	(d) Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for foreign tax redetermination				
3a	Taxes unsuspended under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, Section 1, line 5, column (i)				
5	Taxes carried over in nonrecognition transactions				
6	Taxes reported on Schedule E, Part I, Section 2, line 5, column (i)				
7	Other adjustments (attach statement)				
8	Taxes paid or accrued on current income/E&P or accumulated E&P (combine lines 1c through 7)				
9	Taxes deemed paid with respect to inclusions (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Balance of taxes paid or accrued (combine lines 8 through 12 in columns (a), (b), and (c))				
14	Reserved for future use				
15	Reduction for other taxes not deemed paid				
16	Balance of taxes paid or accrued at the beginning of the next year. Line 16, columns (a), (b), and (c) must always equal zero. So, if necessary, enter negative amounts on line 15 of columns (a), (b), and (c) in amounts sufficient to reduce line 13, columns (a), (b), and (c) to zero. For the remaining columns, combine lines 8 through 12				

Name of foreign corporation

EIN (if any)

Reference ID number (see instructions)

ADMIRAL ACQUISITION LIMITED

- a** Separate Category (Enter code - see instructions.) **PAS**
- b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions)
- c** If one of the RBT codes is entered on line a, enter the country code for the treaty country (see instructions)

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)***(e) Taxes related to previously taxed E&P** (see instructions)

	(i) Reclassified section 965(a) PTEP	(ii) Reclassified section 965(b) PTEP	(iii) General section 959(c)(1) PTEP	(iv) Reclassified section 951A PTEP	(v) Reclassified section 245A(d) PTEP	(vi) Section 965(a) PTEP	(vii) Section 965(b) PTEP	(viii) Section 951A PTEP	(ix) Section 245A(d) PTEP	(x) Section 951(a)(1)(A) PTEP
1a										
b										
c										
2										
3a										
b										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										

**SCHEDULE H
(Form 5471)**(Rev. December 2021)
Department of the Treasury
Internal Revenue Service**Current Earnings and Profits**

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471		Identifying number
Name of foreign corporation ADMIRAL ACQUISITION LIMITED	EIN (if any)	Reference ID number (see instr.)

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-12,755,196.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, Section 1, line 6, column (m), and Part III, line 3, column (i))	2g	
h	Foreign currency gains or losses	2h	
i	Other (attach statement) SEE STATEMENT 19	2i	25,379,000.
3	Total net additions	3	25,379,000.
4	Total net subtractions	4	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	12,623,804.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b and enter the result on line 5c. Then enter on lines 5c(i), 5c(ii), and 5c(iii)(A) through 5c(iii)(D) the portion of the line 5c amount with respect to the categories of income shown on those lines	5c	12,623,804.
	(i) General category (enter amount on applicable Schedule J, Part I, line 3, column (a))	5c(i)	
	(ii) Passive category (enter amount on applicable Schedule J, Part I, line 3, column (a))	5c(ii)	12,623,804.
	(iii) Section 901(j) category:		
	(A) Enter the country code of the sanctioned country ▶ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(A) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(A)	
	(B) Enter the country code of the sanctioned country ▶ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(B) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(B)	
	(C) Enter the country code of the sanctioned country ▶ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(C) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(C)	
	(D) Enter the country code of the sanctioned country ▶ and enter the line 5c amount with respect to the sanctioned country on this line 5c(iii)(D) and on the applicable Schedule J, Part I, line 3, column (a)	5c(iii)(D)	
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	12,623,804.
e	Enter exchange rate used for line 5d		

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (Rev. 12-2021)

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2021)

Department of the Treasury
Internal Revenue Service**Information for Global Intangible Low-Taxed Income**

OMB No. 1545-0123

▶ **Attach to Form 5471.**▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471

Identifying number

Name of foreign corporation

EIN (if any)

Reference ID number (see instructions)

ADMIRAL ACQUISITION LIMITED

Separate Category (Enter code - see instructions)

▶ **PAS**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income (see instructions if cost of goods sold exceed gross receipts)	1 25264000.		
2	Exclusions (see instructions if cost of goods sold exceed gross receipts)			
a	Effectively connected income	2a		
b	Subpart F income	2b 12623804.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (combine lines 2a through 2e)	3 12623804.		
4	Gross income less total exclusions (line 1 minus line 3) (see instructions) ...	4 12640196.		
5	Deductions properly allocable to amount on line 4	5 12640196.		
6	Tested income (loss) (line 4 minus line 5)	6 0.	1.000000	
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8 276926000	1.000000	276926000
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2021)

**SCHEDULE J
(Form 5471)**(Rev. December 2020)
Department of the Treasury
Internal Revenue Service**Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation**▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471

Identifying number

Name of foreign corporation

EIN (if any)

Reference ID number

ADMIRAL ACQUISITION LIMITED**a** Separate Category (Enter code - see instructions.) ▶ **PAS****b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶**Part I Accumulated E&P of Controlled Foreign Corporation**☐ Check the box if person filing return does not have all U.S. shareholders' information to complete an amount in column (e) (see instructions).**Important:** Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Reclassified section 965(a) PTEP	(ii) Reclassified section 965(b) PTEP
1a	Balance at beginning of year (as reported on prior year Schedule J)						
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)						
2a	Reduction for taxes unsuspended under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P) (enter amount from applicable line 5c of Schedule H)	12,623,853.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	12,623,853.					
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P	-12623853.					
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed post-transaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	0.					

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)***(e)** Previously Taxed E&P (see instructions)

	(iii) General section 959(c)(1) PTEP	(iv) Reclassified section 951A PTEP	(v) Reclassified section 245A(d) PTEP	(vi) Section 965(a) PTEP	(vii) Section 965(b) PTEP
1a					
b					
c					
2a					
b					
3					
4					
5a					
b					
6					
7					
8					
9					
10					
11					
12					
13					
14					

(e) Previously Taxed E&P (see instructions)

	(viii) Section 951A PTEP	(ix) Section 245A(d) PTEP	(x) Section 951(a)(1)(A) PTEP	(f) Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(x))
1a			7,624,000.	7,624,000.
b				
c			7,624,000.	7,624,000.
2a				
b				
3				12,623,853.
4				
5a				
b				
6				
7			7,624,000.	20,247,853.
8			12,623,853.	0.
9			-20,247,853.	-20,247,853.
10				
11				
12				
13				
14			0.	

Part II **Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))****Important:** Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2020)

**SCHEDULE P
(Form 5471)**

(Rev. December 2020)

Department of the Treasury
Internal Revenue Service**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**▶ **Attach to Form 5471.**▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of person filing Form 5471

Identifying number

Name of U.S. shareholder

Identifying number

Name of foreign corporation

EIN (if any)

Reference ID number (see instructions)

ADMIRAL ACQUISITION LIMITED**a** Separate Category (Enter code - see instructions.) ▶ **PAS****b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶**Part I Previously Taxed E&P in Functional Currency** (see instructions)

		(a) Reclassified section 965(a) PTEP	(b) Reclassified section 965(b) PTEP	(c) General section 959(c)(1) PTEP
1a	Balance at beginning of year (see instructions)			
b	Beginning balance adjustments (attach statement)			
c	Adjusted beginning balance (combine lines 1a and 1b)			
2	Reduction for taxes unsuspended under anti-splitter rules			
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation			
4	Previously taxed E&P carried over in nonrecognition transaction			
5	Other adjustments (attach statement)			
6	Total previously taxed E&P (combine lines 1c through 5)			
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P			
8	Actual distributions of previously taxed E&P			
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P			
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)			
11	Other adjustments (attach statement)			
12	Balance at beginning of next year (combine lines 6 through 11)			

Part I **Previously Taxed E&P in Functional Currency** (see instructions) *(continued)*

	(d) Reclassified section 951A PTEP	(e) Reclassified section 245A(d) PTEP	(f) Section 965(a) PTEP	(g) Section 965(b) PTEP	(h) Section 951A PTEP	(i) Section 245A(d) PTEP	(j) Section 951(a)(1)(A) PTEP	(k) Total
1a								
b								
c								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

Part II Previously Taxed E&P in U.S. Dollars

		(a) Reclassified section 965(a) PTEP	(b) Reclassified section 965(b) PTEP	(c) General section 959(c)(1) PTEP
1a	Balance at beginning of year (see instructions)			
b	Beginning balance adjustments (attach statement)			
c	Adjusted beginning balance (combine lines 1a and 1b)			
2	Reduction for taxes unsuspended under anti-splitter rules			
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation			
4	Previously taxed E&P carried over in nonrecognition transaction			
5	Other adjustments (attach statement)			
6	Total previously taxed E&P (combine lines 1c through 5)			
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P			
8	Actual distributions of previously taxed E&P			
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P			
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)			
11	Other adjustments (attach statement)			
12	Balance at beginning of next year (combine lines 6 through 11)			

Schedule P (Form 5471) (Rev. 12-2020)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(d) Reclassified section 951A PTEP	(e) Reclassified section 245A(d) PTEP	(f) Section 965(a) PTEP	(g) Section 965(b) PTEP	(h) Section 951A PTEP	(i) Section 245A(d) PTEP	(j) Section 951(a)(1)(A) PTEP	(k) Total
1a								
b								
c								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

**SCHEDULE Q
(Form 5471)**

(Rev. December 2024)
Department of the Treasury
Internal Revenue Service

CFC Income by CFC Income Groups

Attach to Form 5471.

Go to www.irs.gov/Form5471 for instructions and the latest information.

OMB No. 1545-0123

Name of person filing Form 5471

Identifying number

Name of foreign corporation

EIN (if any)

Reference ID number (see instructions)

ADMIRAL ACQUISITION LIMITED

Complete a separate Schedule Q with respect to each applicable category of income (see instructions).

- A** Enter separate category code with respect to which this Schedule Q is being completed (see instructions for codes) **PAS**
- B** If category code "PAS" is entered on line A, enter the applicable grouping code (see instructions) **I**
- C** If code "901j" is entered on line A, enter the country code for the sanctioned country (see instructions)

Complete a separate Schedule Q for U.S. source income and foreign source income (see instructions for an exception).

- D** Indicate whether this Schedule Q is being completed for: ☐ U.S. source income or ☒ Foreign source income

Complete a separate Schedule Q for FOGEI or FORI income.

- E** If this Schedule Q is being completed for FOGEI or FORI income, check this box ☐

Enter amounts in functional currency of the foreign corporation (unless otherwise noted).	(i) Country Code	(ii) Gross Income	(iii) Definitely Related Expenses	(iv) Related Person Interest Expense	(v) Other Interest Expense	(vi) Research & Experimental Expenses	(vii) Other Expenses (attach statement)
1 Subpart F Income Groups							
a Dividends, Interest, Rents, Royalties, & Annuities (Total)							
(1) Unit name:							
(2) Unit name:							
b Net Gain From Certain Property Transactions (Total)							
(1) Unit name:							
(2) Unit name:							
c Net Gain From Commodities Transactions (Total)							
(1) Unit name:							
(2) Unit name:							
d Net Foreign Currency Gain (Total)							
(1) Unit name:							
(2) Unit name:							
e Income Equivalent to Interest (Total)							
(1) Unit name:							
(2) Unit name:							
f Other Foreign Personal Holding Company Income (Total) (attach statement - see instructions)							
(1) Unit name:							
(2) Unit name:							

Important: See **Computer-Generated Schedule Q** in instructions.

For Paperwork Reduction Act Notice, see instructions.

Schedule Q (Form 5471) (Rev. 12-2024)

	(viii) Current Year Tax on Reattributed Income From Disregarded Payments	(ix) Current Year Tax on All Other Disregarded Payments	(x) Other Current Year Taxes	(xi) Net Income (column (ii) less columns (iii) through (x))	(xii) Foreign Taxes for Which Credit Allowed (U.S. Dollars)	(xiii) Average Asset Value	(xiv) High Tax Election	(xv) Loss Allocation	(xvi) Net Income After Loss Allocation (column (xi) minus column (xv))
1									
a									
(1)									
(2)									
b									
(1)									
(2)									
c									
(1)									
(2)									
d									
(1)									
(2)									
e									
(1)									
(2)									
f									
(1)									
(2)									

Important: See **Computer-Generated Schedule Q** in instructions.

Enter amounts in functional currency of the foreign corporation (unless otherwise noted).	(i) Country Code	(ii) Gross Income	(iii) Definitely Related Expenses	(iv) Related Person Interest Expense	(v) Other Interest Expense	(vi) Research & Experimental Expenses	(vii) Other Expenses (attach statement)
1 Subpart F Income Groups							
g Foreign Base Company Sales							
Income (Total)							
(1) Unit name:							
(2) Unit name:							
h Foreign Base Company Services							
Income (Total)							
(1) Unit name:							
(2) Unit name:							
i Full Inclusion Foreign Base Company							
Income (Total)							
(1) Unit name:							
(2) Unit name:							
j Insurance Income (Total)							
(1) Unit name:							
(2) Unit name:							
k International Boycott Income							
l Bribes, Kickbacks, and Other Payments							
m Section 901(j) income							
2 Recaptured Subpart F Income							
3 Tested Income Group (Total)							
(1) Unit name:							
(2) Unit name:							
4 Residual Income Group (Total)							
(1) Unit name:							
(2) Unit name:							
5 Total							

Important: See **Computer-Generated Schedule Q** in instructions.

	(viii) Current Year Tax on Reattributed Income From Disregarded Payments	(ix) Current Year Tax on All Other Disregarded Payments	(x) Other Current Year Taxes	(xi) Net Income (column (ii) less columns (iii) through (x))	(xii) Foreign Taxes for Which Credit Allowed (U.S. Dollars)	(xiii) Average Asset Value	(xiv) High Tax Election	(xv) Loss Allocation	(xvi) Net Income After Loss Allocation (column (xi) minus column (xv))
1									
g									
(1)									
(2)									
h									
(1)									
(2)									
i									
(1)									
(2)									
j									
(1)									
(2)									
k									
l									
m									
2									
3									
(1)									
(2)									
4									
(1)									
(2)									
5									

Important: See **Computer-Generated Schedule Q** in instructions.

SCHEDULE R
(Form 5471)

(December 2020)
Department of the Treasury
Internal Revenue Service

Distributions From a Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471		Identifying number	
Name of foreign corporation		EIN (if any)	Reference ID number (see instructions)
ADMIRAL ACQUISITION LIMITED			
	(a) Description of distribution	(b) Date of distribution	(c) Amount of distribution in foreign corporation's functional currency
			(d) Amount of E&P distribution in foreign corporation's functional currency
1	LIQUIDATION DISTRIBUTIONS	12/15/2024	20247853.
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

Admiral Acquisition Limited
ATTACHMENT TO FORM 5471
YEAR ENDED: 12/15/2024

11/30/2023

12/15/2024

Page 3, Schedule C, Line 9, Other Income

Unrealized gain (loss) on securities

(18,875,755)

Total Other Income

(18,875,755)

Page 3, Schedule C, Line 17, Other Deductions

General and administrative expenses

2,606,000

Transaction Costs

16,537,441

Total Other Deductions

19,143,441

Page 4, Schedule F, Line 13, Other Assets

Prepayments and other assets

401,000

-

Total Other Assets

401,000

-

Page 4, Schedule F, Line 16, Other Current Liabilities

Accruals

625,000

-

Total Other Current Liabilities

625,000

-

Page 4, Schedule F, Line 20b, Common Stock

Common Stock

53,975,000

-

Total Common Stock

53,975,000

-

Page 4, Schedule F, Line 21, Paid-in Capital

Paid-in Capital

484,259,000

-

Total Paid-in Capital

484,259,000

-

Admiral Acquisition Limited
ATTACHMENT TO FORM 5471, SCHEDULE G, LINE14 DETAILS
YEAR ENDED: 12/15/2024

Code to enter on Schedule G, line 14

DED

Q.No:

Question

Amounts

3

DED

During the tax year, was the CFC's foreign personal holding company income, foreign base company sales income, or foreign base company services income reduced so as to take into account any related deductions.

Deductions:

General and administrative expenses

2,606,000

Transaction Costs

16,537,441

Total Other Deductions

19,143,441

Instructions for Form 5471



(Rev. December 2024)

(Use with the December 2024 revision of Form 5471 and separate Schedules H-1 and Q; the December 2023 revision of separate Schedule G-1; the December 2021 revision of separate Schedules E, H, I-1, and M; the December 2020 revision of separate Schedules J, P, and R; and the December 2012 revision of separate Schedule O.)

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

Section references are to the Internal Revenue Code unless otherwise noted.

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Future Developments

For the latest information about developments related to Form 5471, its schedules, and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form5471](https://www.irs.gov/Form5471).

What's New

Changes to Form 5471. On page 6 of the form, new lines 20a and 20b request information pertaining to any Top-up Tax paid or accrued.

New separate Schedule H-1. This new schedule is used to report a CFC's adjusted net income or loss for corporate alternative minimum tax (CAMT) purposes. This new schedule replaces Worksheet H-1 (which appeared on page 37 of the January 2024 Instructions for Form 5471), with modifications.

Changes to separate Schedule Q. On page 4 of the schedule, the shading for line 4, column (xv), was deleted. As a result, the sum of loss allocations for subpart F excluded groups can be entered in the new entry space created by the deletion of the shading.

Changes to these instructions. These instructions have been updated for the aforementioned changes to Form 5471 and separate Schedule Q. In addition, instructions for previous Worksheet H-1 have been updated and are included in the instructions for new Schedule H-1.

Updates to Schedule I, Worksheet A. Schedule I, Worksheet A, has been updated to more clearly reflect the computational rules of Regulations section 1.954-1. Corresponding changes to the instructions for Schedule G have been made to conform with new and/or changed line numbers on Schedule I, Worksheet A.

General Instructions

Purpose of Form

Form 5471 is used by certain U.S. persons who are officers, directors, or shareholders in certain foreign corporations. The form and schedules are used to satisfy the reporting requirements of sections 6038 and 6046, and the related regulations.

Who Must File

Generally, all U.S. persons described in [Categories of Filers](#) below must complete the schedules, statements, and/or other information requested in the chart, [Filing Requirements for Categories of Filers](#), later. Read the information for each category carefully to determine which schedules, statements, and/or information apply.

Note. When a schedule is required but all amounts are zero, the schedule should still be filed with one or more zero amounts. For schedules that are completed by category (that is, Schedules E, I-1, J, P, and Q), inclusion of a single instance of that schedule for any separate category will meet the requirement.

If the filer is described in more than one filing category, do not duplicate information. However, complete all items that apply. For example, if you are the sole owner of a CFC (that is, you are described in Categories 4 and 5a), complete all six pages of Form 5471 and separate Schedules E, G-1, H, H-1, I-1, J, M, P, Q, and R.

Note. Complete a **separate** Form 5471 and all applicable schedules for **each** applicable foreign corporation.

When and Where To File

Attach Form 5471 to your income tax return (or, if applicable, partnership or exempt organization return) and file both by the due date (including extensions) for that return.

Categories of Filers

Category 1 Filers

In general, a Category 1 filer is a person who was a U.S. shareholder of a foreign corporation that was a section 965 specified foreign corporation (SFC) at any time during the foreign corporation's tax year ending with or within the U.S. shareholder's tax year, and who owned that stock on the last day in that year in which the foreign corporation was a section 965 SFC, taking into account the regulations under section 965. There are three different types of Category 1 filers, each described below: Category 1a filers, Category 1b filers, and Category 1c filers.

Except as otherwise provided in the instructions for each type of Category 1 filer below, the following definitions apply for purposes of Category 1.

U.S. shareholder. For purposes of Category 1, a U.S. shareholder is a U.S. person who owns (directly, indirectly, or constructively, within the meaning of section 958(a) and (b)) 10% or more of the total combined voting power or value of shares of all classes of stock of a section 965 SFC. See section 951(b).

U.S. person. For purposes of Category 1, a U.S. person is:

1. A citizen or resident of the United States;
2. A domestic partnership;
3. A domestic corporation; or
4. An estate or trust that is not a foreign estate or trust, as defined in section 7701(a)(31).

See section 957(c) for exceptions.

Section 965 SFC. For purposes of Category 1, a section 965 SFC is:

1. A controlled foreign corporation (CFC) (see [Category 5 Filers](#), later, for definition); or
2. Any foreign corporation with respect to which one or more domestic corporations are U.S. shareholders.

However, if a passive foreign investment company (PFIC) (as defined in section 1297) with respect to the shareholder is not a CFC, then such corporation is not a section 965 SFC.

See section 965 and the regulations thereunder for exceptions.

Category 1a Filer

A Category 1a filer is a Category 1 filer that is not a Category 1b or 1c filer.

Category 1b Filer

A Category 1b filer is a person who is an unrelated section 958(a) U.S. shareholder (defined below) of a foreign-controlled section 965 SFC (defined below). This type of Category 1 filer extends the relief for certain Category 5 filers announced in section 8.02 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#), to similarly situated Category 1 filers.

Unrelated section 958(a) U.S. shareholder. For purposes of Category 1b, an unrelated section 958(a) U.S. shareholder is a U.S. shareholder with respect to a foreign-controlled section 965 SFC who:

1. Owns, within the meaning of section 958(a), stock of a foreign-controlled section 965 SFC; and
2. Is not related (using principles of section 954(d)(3)) to the foreign-controlled section 965 SFC.

Foreign-controlled section 965 SFC. For purposes of Category 1b, a foreign-controlled section 965 SFC is a foreign corporation that is a section 965 SFC that would not be a section 965 SFC if the determination were made without applying subparagraphs (A), (B), and (C) of section 318(a)(3) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Category 1c Filer

A Category 1c filer is a person who is a [related constructive U.S. shareholder](#) (defined below) of a foreign-controlled section 965 SFC (defined below). This type of Category 1 filer extends the relief for certain Category 5 filers announced in section 8.03 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#), to similarly situated Category 1 filers.

Related constructive U.S. shareholder. For purposes of Category 1c, a related constructive U.S. shareholder is a U.S. shareholder with respect to a foreign-controlled section 965 SFC who:

1. Does not own, within the meaning of section 958(a), stock of the foreign-controlled section 965 SFC; and
2. Is related (using principles of section 954(d)(3)) to the foreign-controlled section 965 SFC.

Foreign-controlled section 965 SFC. For purposes of Category 1c, the term "foreign-controlled section 965 SFC" has the same meaning as provided under *Category 1b Filer*, earlier.

Additional Information for Category 1 Filers

When Category 1 reporting is no longer required. A Category 1 filer must continue to file all information required as long as:

- The section 965 SFC (or foreign-controlled section 965 SFC) has accumulated earnings and profits (E&P) related to section 965 that is reportable on Schedule J (Form 5471), or
- The Category 1 filer has previously taxed E&P related to section 965 that is reportable on Schedule P (Form 5471).

Category 1 Filers—Exceptions From Filing

Certain constructive owners.

- A Category 1 filer does not have to file Form 5471 if **all** of the following conditions are met.
 1. The Category 1 filer does not own a direct interest in the foreign corporation.
 2. The Category 1 filer is required to furnish the information requested solely because of constructive ownership (as determined under Regulations section 1.958-2, 1.6038-2(c), or 1.6046-1(i)) from another U.S. person.
 3. The U.S. person through which the Category 1 filer constructively owns an interest in the foreign corporation files Form 5471 to report all of the information required of the Category 1 filer.
- A Category 1 filer does not have to file Form 5471 if it:
 1. Does not own a direct or indirect interest in the foreign corporation, and
 2. Is required to file Form 5471 solely because of constructive ownership from a nonresident alien.

No statement is required to be attached to the tax return of a Category 1 filer claiming either constructive ownership exception. See Regulations section 1.6038-2(j) (2) and (3), and Regulations section 1.6038-2(l) for additional information.

No section 958(a) U.S. shareholder. A Category 1 filer does not have to file Form 5471 if no U.S. shareholder (including the Category 1 filer) owns, within the meaning of section 958(a), stock in the section 965 SFC on the last day in the year of the foreign corporation in which it was a section 965 SFC and the SFC is a foreign-controlled section 965 SFC. This exception extends the relief for Category 5 filers announced in section 5.02 of [Notice 2018-13, 2018-6 I.R.B. 341](#), to similarly situated Category 1 filers.

Unrelated constructive U.S. shareholder. A Category 1 filer does not have to file Form 5471 if **all** of the following conditions are met.

1. The foreign corporation is a foreign-controlled section 965 SFC.
2. The Category 1 filer is a U.S. shareholder that does not own stock, within the meaning of section 958(a), in the foreign-controlled section 965 SFC.
3. The Category 1 filer is not related, using principles of section 954(d)(3), to the foreign-controlled section 965 SFC.

This exception implements the relief for certain Category 5 filers announced in section 8.04 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#), and extends it to Category 1 filers.

Other filing exceptions. Certain other filing exceptions apply to all categories of filers. See [Additional Filing Exceptions](#), later.

Category 2 Filer

This category includes a U.S. citizen or resident who is an officer or director of a foreign corporation in which a U.S. person (defined below) has acquired (in one or more transactions):

1. Stock that meets the 10% stock ownership requirement (defined below) with respect to the foreign corporation, or
2. An additional 10% or more (in value or voting power) of the outstanding stock of the foreign corporation.

A U.S. person has **acquired** stock in a foreign corporation when that person has an unqualified right to receive the stock, even though the stock is not actually issued. See Regulations section 1.6046-1(c) and (f)(1) for more details.

10% stock ownership requirement. For purposes of Category 2, the stock ownership threshold is met if a U.S. person owns:

1. 10% or more of the total value of the foreign corporation's stock, or
2. 10% or more of the total combined voting power of all classes of stock with voting rights.

See Regulations section 1.6046-1(i) for additional information.

U.S. person. For purposes of Category 2, a U.S. person is:

1. A citizen or resident of the United States;
2. A domestic partnership;
3. A domestic corporation; or
4. An estate or trust that is not a foreign estate or trust, as defined in section 7701(a)(31).

See Regulations section 1.6046-1(f)(3) for exceptions.

Additional Information for Category 2 Filers

Foreign sales corporations (FSCs). Category 2 filers who are shareholders, officers, and directors of an FSC (as defined in section 922, as in effect before its repeal) must file Form 5471 and a separate Schedule O to report changes in the ownership of the FSC.

Category 2 Filers—Exceptions From Filing

A Category 2 filer does not have to file Form 5471 if:

1. Immediately after a reportable stock acquisition, three or fewer U.S. persons own 95% or more in value of the outstanding stock of the foreign corporation and the U.S. person making the acquisition files a return for the acquisition as a Category 3 filer; or
2. The U.S. person(s) for which the Category 2 filer is required to file Form 5471 does not directly own an

interest in the foreign corporation but is required to furnish the information solely because of constructive stock ownership from a U.S. person and the person from whom the stock ownership is attributed furnishes all of the information required of the Category 2 filer.

Other filing exceptions. Certain other filing exceptions apply to all categories of filers. See [Additional Filing Exceptions](#), later.

Category 3 Filer

This category includes:

1. A U.S. person (defined below) who acquires stock in a foreign corporation which, when added to any stock owned on the date of acquisition, meets the 10% stock ownership requirement (defined below) with respect to the foreign corporation;
2. A U.S. person who acquires stock which, without regard to stock already owned on the date of acquisition, meets the 10% stock ownership requirement with respect to the foreign corporation;
3. A person who is treated as a U.S. shareholder under section 953(c) with respect to the foreign corporation;
4. A person who becomes a U.S. person while meeting the 10% stock ownership requirement with respect to the foreign corporation; or
5. A U.S. person who disposes of sufficient stock in the foreign corporation to reduce his or her interest to less than the 10% stock ownership requirement.

For more information, see section 6046 and Regulations section 1.6046-1.

10% stock ownership requirement. For purposes of Category 3, the stock ownership threshold is met if a U.S. person owns:

1. 10% or more of the total value of the foreign corporation's stock, or
2. 10% or more of the total combined voting power of all classes of stock with voting rights.

See Regulations section 1.6046-1(i) for additional information.

U.S. person. For purposes of Category 3, a U.S. person is:

1. A citizen or resident of the United States;
2. A domestic partnership;
3. A domestic corporation; or
4. An estate or trust that is not a foreign estate or trust, as defined in section 7701(a)(31).

See Regulations section 1.6046-1(f)(3) for exceptions.

Additional Information for Category 3 Filers

Statement required. Category 3 filers must attach a statement that includes:

1. The amount and type of any indebtedness the foreign corporation has with the related persons described in Regulations section 1.6046-1(b)(11), and

2. The name, address, identifying number, and number of shares subscribed to by each subscriber to the foreign corporation's stock.

Foreign sales corporations (FSCs). Category 3 filers who are shareholders, officers, and directors of an FSC (as defined in section 922, as in effect before its repeal) must file Form 5471 and a separate Schedule O to report changes in the ownership of the FSC.

Category 3 Filers—Exception From Filing

A Category 3 filer does not have to file Form 5471 if **all** of the following conditions are met.

1. The Category 3 filer does not own a direct interest in the foreign corporation.
2. The Category 3 filer is required to furnish the information requested solely because of constructive ownership (as determined under Regulations section 1.958-2, 1.6038-2(c), or 1.6046-1(i)) from another U.S. person.
3. The U.S. person through which the Category 3 filer constructively owns an interest in the foreign corporation files Form 5471 to report all of the information required of the Category 3 filer.

No statement is required to be attached to tax returns for persons claiming this constructive ownership exception.

Other filing exceptions. Certain other filing exceptions apply to all categories of filers. See [Additional Filing Exceptions](#), later.

Category 4 Filer

This category includes a U.S. person (defined below) who had control (defined below) of a foreign corporation during the annual accounting period of the foreign corporation.

U.S. person. For purposes of Category 4, a U.S. person is:

1. A citizen or resident of the United States;
2. A nonresident alien for whom an election is in effect under section 6013(g) to be treated as a resident of the United States;
3. An individual for whom an election is in effect under section 6013(h), relating to nonresident aliens who become residents of the United States during the tax year and are married at the close of the tax year to a citizen or resident of the United States;
4. A domestic partnership;
5. A domestic corporation; and
6. An estate or trust that is not a foreign estate or trust, as defined in section 7701(a)(31).

See Regulations section 1.6038-2(d) for exceptions.

Control. For purposes of Category 4, a U.S. person has control of a foreign corporation if, at any time during that person's tax year, it owns stock possessing:

1. More than 50% of the total combined voting power of all classes of stock of the foreign corporation entitled to vote, or

2. More than 50% of the total value of shares of all classes of stock of the foreign corporation.

For purposes of Category 4, a person in control of a corporation that, in turn, owns more than 50% of the combined voting power, or the value, of all classes of stock of another corporation is also treated as being in control of such other corporation.

Example. Corporation A owns 51% of the voting stock in Corporation B. Corporation B owns 51% of the voting stock in Corporation C. Corporation C owns 51% of the voting stock in Corporation D. Therefore, Corporation D is controlled by Corporation A.

For more details on “control” for purposes of Category 4, see section 6038(e)(2) and Regulations section 1.6038-2(b) and (c).

Additional Information for Category 4 Filers

Foreign sales corporations (FSCs).

- Category 4 filers who are shareholders of an FSC are not subject to the subpart F rules with respect to the FSC for:

1. Exempt foreign trade income;
2. Deductions that are apportioned or allocated to exempt foreign trade income;
3. Nonexempt foreign trade income (other than section 923(a)(2) nonexempt income, within the meaning of section 927(d)(6), as in effect before repeal); and
4. Any deductions that are apportioned or allocated to the nonexempt foreign trade income described above.

- Category 4 filers who are shareholders of an FSC are subject to the subpart F rules for:

1. All other types of FSC income (including section 923(a)(2) nonexempt income within the meaning of section 927(d)(6), as in effect before its repeal);
2. Investment income and carrying charges (as defined in section 927(c) and (d)(1), as in effect before its repeal); and
3. All other FSC income that is not foreign trade income or investment income or carrying charges.

Category 4 Filers—Exceptions From Filing

Certain constructive owners.

- A Category 4 filer does not have to file Form 5471 if **all** of the following conditions are met.

1. The Category 4 filer does not own a direct interest in the foreign corporation.
2. The Category 4 filer is required to furnish the information requested solely because of constructive ownership (as determined under Regulations section 1.958-2, 1.6038-2(c), or 1.6046-1(i)) from another U.S. person.
3. The U.S. person through which the Category 4 filer constructively owns an interest in the foreign corporation files Form 5471 to report all of the information required of the Category 4 filer.

- A Category 4 filer does not have to file Form 5471 if it:

1. Does not own a direct or indirect interest in the foreign corporation, and

2. Is required to file Form 5471 solely because of constructive ownership from a nonresident alien.

No statement is required to be attached to the tax return of a Category 4 filer claiming either constructive ownership exception. See Regulations section 1.6038-2(j)(2) and (3), and Regulations section 1.6038-2(l) for additional information.

FSCs. Category 4 filers are not required to file a Form 5471 (in order to satisfy the requirements of section 6038) if the FSC has filed a Form 1120-FSC. See Temporary Regulations section 1.921-1T(b)(3). However, these filers are required to file Form 5471 for an FSC, regardless of whether it has filed Form 1120-FSC, if the filer has inclusions with respect to the FSC under section 951(a) (as described above).

Other filing exceptions. Certain other filing exceptions apply to all categories of filers. See [Additional Filing Exceptions](#), later.

Category 5 Filers

In general, a Category 5 filer is a person who was a U.S. shareholder (defined below) that owned stock in a foreign corporation that was a CFC (defined below) at any time during the foreign corporation's tax year ending with or within the U.S. shareholder's tax year, and who owned that stock on the last day in that year in which the foreign corporation was a CFC. There are three different types of Category 5 filers, each described below: Category 5a filers, Category 5b filers, and Category 5c filers.

Except as otherwise provided in the instructions for each type of Category 5 filer below, the following definitions apply for purposes of Category 5.

U.S. shareholder. For purposes of Category 5, a U.S. shareholder is a U.S. person (defined below) who:

1. Owns (directly, indirectly, or constructively, within the meaning of section 958(a) and (b)) 10% or more of the total combined voting power or value of shares of all classes of stock of a CFC; or
2. Owns (either directly or indirectly, within the meaning of section 958(a)) any stock of a CFC (as defined in sections 953(c)(1)(B) and 957(b)), unless the foreign corporation has an effective section 953(c)(3)(C) election in place for the tax year.

U.S. person. For purposes of Category 5, a U.S. person is:

1. A citizen or resident of the United States;
2. A domestic partnership;
3. A domestic corporation; or
4. An estate or trust that is not a foreign estate or trust, as defined in section 7701(a)(31).

See section 957(c) for exceptions.

In general, a **CFC** is a foreign corporation that has U.S. shareholders that own (directly, indirectly, or constructively, within the meaning of section 958(a) and (b)) on any day of the tax year of the foreign corporation, more than 50% of:

1. The total combined voting power of all classes of its voting stock, or

2. The total value of the stock of the corporation.

For purposes only of taking into account income described in section 953(a) (relating to insurance income), a CFC also includes a foreign corporation that is described in section 957(b); and for purposes only of taking into account related person insurance income, a CFC includes a foreign corporation described in section 953(c)(1)(B).

Category 5a Filer

A Category 5a filer is a Category 5 filer that is not a Category 5b or 5c filer.

Category 5b Filer

A person is a Category 5b filer if they are an unrelated section 958(a) U.S. shareholder (defined below) of a foreign-controlled CFC (defined below). This type of Category 5 filer implements the relief for certain Category 5 filers announced in section 8.02 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#).

Unrelated section 958(a) U.S. shareholder. For purposes of Category 5b, an unrelated section 958(a) U.S. shareholder is a U.S. shareholder with respect to a foreign-controlled CFC who:

1. Owns, within the meaning of section 958(a), stock of a foreign-controlled CFC; and
2. Is not related (using principles of section 954(d)(3)) to the foreign-controlled CFC.

Foreign-controlled CFC. For purposes of Category 5b, a foreign-controlled CFC is a foreign corporation that is a CFC that would not be a CFC if the determination were made without applying subparagraphs (A), (B), and (C) of section 318(a)(3) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Category 5c Filer

A person is a Category 5c filer if they are a related constructive U.S. shareholder (defined below) of a foreign-controlled CFC (defined below). This type of Category 5 filer implements the relief for certain Category 5 filers announced in section 8.03 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#).

Related constructive U.S. shareholder. For purposes of Category 5c, a related constructive U.S. shareholder is a U.S. shareholder with respect to a foreign-controlled CFC who:

1. Does not own, within the meaning of section 958(a), stock of the foreign-controlled CFC; and
2. Is related (using principles of section 954(d)(3)) to the foreign-controlled CFC.

Foreign-controlled CFC. For purposes of Category 5c, the term “foreign-controlled CFC” has the same meaning as defined in *Category 5b Filer*, earlier.

Additional Information for Category 5 Filers

Foreign sales corporations (FSCs).

- Category 5 filers who are shareholders of an FSC are not subject to the subpart F rules with respect to the FSC for:

1. Exempt foreign trade income;
2. Deductions that are apportioned or allocated to exempt foreign trade income;
3. Nonexempt foreign trade income (other than section 923(a)(2) nonexempt income, within the meaning of section 927(d)(6), as in effect before repeal); and
4. Any deductions that are apportioned or allocated to the nonexempt foreign trade income described above.

- Category 5 filers who are shareholders of an FSC are subject to the subpart F rules for:

1. All other types of FSC income (including section 923(a)(2) nonexempt income, within the meaning of section 927(d)(6), as in effect before its repeal);
2. Investment income and carrying charges (as defined in section 927(c) and (d)(1), as in effect before its repeal); and
3. All other FSC income that is not foreign trade income or investment income or carrying charges.

Category 5 Filers—Exceptions From Filing

Certain constructive owners.

- A Category 5 filer does not have to file Form 5471 if all of the following conditions are met.

1. The Category 5 filer does not own a direct interest in the foreign corporation.
2. The Category 5 filer is required to furnish the information requested solely because of constructive ownership (as determined under Regulations section 1.958-2, 1.6038-2(c), or 1.6046-1(i)) from another U.S. person.
3. The U.S. person through which the Category 5 filer constructively owns an interest in the foreign corporation files Form 5471 to report all of the information required of the Category 5 filer.

- A Category 5 filer does not have to file Form 5471 if it:

1. Does not own a direct or indirect interest in the foreign corporation, and
2. Is required to file Form 5471 solely because of constructive ownership from a nonresident alien.

No statement is required to be attached to the tax return of a Category 5 filer claiming either constructive ownership exception. See Regulations section 1.6038-2(j) (2) and (3), and Regulations section 1.6038-2(l) for additional information.

No section 958(a) U.S. shareholder. A Category 5 filer does not have to file Form 5471 if no U.S. shareholder (including the Category 5 filer) owns, within the meaning of section 958(a), stock in the CFC on the last day in the year of the foreign corporation in which it was a CFC and the CFC is a foreign-controlled CFC. See section 5.02 of [Notice 2018-13, 2018-6 I.R.B. 341](#), for additional information.

Unrelated constructive U.S. shareholder. A Category 5 filer does not have to file Form 5471 if **all** of the following conditions are met.

1. The foreign corporation is a foreign-controlled CFC.
2. The filer is a U.S. shareholder that does not own stock, within the meaning of section 958(a), in the foreign-controlled CFC.
3. The filer is not related, using principles of section 954(d)(3), to the foreign-controlled CFC.

See section 8.04 of [Rev. Proc. 2019-40, 2019-43 I.R.B. 982](#), for additional information.

FSCs. Category 5 filers are not required to file a Form 5471 (in order to satisfy the requirements of section 6038)

if the FSC has filed a Form 1120-FSC. See Temporary Regulations section 1.921-1T(b)(3). However, these filers are required to file Form 5471 for an FSC, regardless of whether it has filed Form 1120-FSC, if the filer has inclusions with respect to the FSC under section 951(a) (as described above).

Other filing exceptions. Certain other filing exceptions apply to all categories of filers. See [Additional Filing Exceptions](#) next.

Additional Filing Exceptions

Multiple filers of same information. With respect to any category of filer, one person may file Form 5471 and the applicable schedules for other persons who have the

Filing Requirements for Categories of Filers

Table of Required Information

Required Information*	Category of Filer								
	1a	1b	1c	2	3	4	5a	5b	5c
The identifying information on page 1 of Form 5471 above Schedule A; see Specific Instructions	✓	✓	✓	✓	✓	✓	✓	✓	✓
Schedule A					✓	✓			
Schedule B, Part I					✓	✓			
Schedule B, Part II	✓		✓		✓	✓	✓		✓
Schedules C and F					✓	✓			
Separate Schedule E	✓	✓ ¹	✓ ²			✓	✓	✓ ¹	✓ ²
Schedule E-1 (included with separate Schedule E)	✓	✓ ¹				✓	✓	✓ ¹	
Schedule G			✓		✓	✓	✓		✓
Separate Schedule G-1			✓		✓	✓	✓		✓
Separate Schedule H						✓	✓		
Separate Schedule H-1						✓ ³	✓ ³	✓ ³	
Schedule I						✓	✓	✓	
Separate Schedule I-1						✓	✓	✓	✓
Separate Schedule J	✓					✓	✓		
Separate Schedule M						✓			
Separate Schedule O, Part I				✓					
Separate Schedule O, Part II					✓				
Separate Schedule P	✓	✓				✓	✓	✓	
Separate Schedule Q						✓	✓	✓	
Separate Schedule R						✓	✓		

* See also [Additional Filing Requirements](#).

¹ Schedules E and E-1 are required for an [Unrelated section 958\(a\) U.S. shareholder](#), only if the filer claims deemed paid foreign income taxes of the foreign-controlled section 965 SFC or foreign-controlled CFC under section 960 for the filer's tax year. See Rev. Proc. 2019-40 for more details.

² [Related constructive U.S. shareholder](#), only need to complete Schedule E (they can leave Schedule E-1 blank). See Rev. Proc. 2019-40 for more details.

³ Schedule H-1 is required for any U.S. shareholder that is an applicable corporation for corporate alternative minimum tax (CAMT) purposes. See Instructions for Form 4626.

same filing requirements. If you and one or more other persons are required to furnish information for the same foreign corporation for the same period, a joint information return that contains the required information may be filed with your tax return or with the tax return of any one of the other persons. For example, a U.S. person described in Category 5 may file a joint Form 5471 with a Category 4 filer or another Category 5 filer; similarly, a U.S. person described in Category 5b may file a joint Form 5471 with a Category 4 or 5a filer or another Category 5b filer. However, for Category 3 filers, the required information may only be filed by another person having an equal or greater interest (measured in terms of value or voting power of the stock of the foreign corporation).

The person that files Form 5471 must complete Form 5471 in the manner described in the instructions for item H. All persons identified in item H must attach a statement to their income tax return that includes the information described in the instructions for item H and must also complete a separate Schedule P and attach it to that statement if they qualify as a Category 1a, 1b, 4, 5a, or 5b filer. See Regulations section 1.6038-2(j)(1) and (3) for additional information.

Domestic corporations. Shareholders are not required to file Form 5471 for a foreign insurance company that has elected (under section 953(d)) to be treated as a domestic corporation and has filed a U.S. income tax return for its tax year under that provision. See Rev. Proc. 2003-47, 2003-28 I.R.B. 55, available at [IRS.gov/irb/2003-28_IRB#RP-2003-47](https://www.irs.gov/irb/2003-28_IRB#RP-2003-47), for procedural rules regarding the election under section 953(d).

Additional Filing Requirements

Section 338 election. If a section 338 election is made with respect to a qualified stock purchase of a foreign target corporation for which a Form 5471 must be filed:

- A purchaser (or its U.S. shareholder) must attach a copy of Form 8883, Asset Allocation Statement Under Section 338, to the first Form 5471 for the new foreign target corporation (see the Instructions for Form 8883 for details);
- A seller (or its U.S. shareholder) must attach a copy of Form 8883 to the last Form 5471 for the old foreign target corporation;
- A U.S. shareholder that files a section 338 election on behalf of a foreign purchasing corporation that is a CFC pursuant to Regulations section 1.338-2(e)(3) must attach a copy of Form 8023, Elections Under Section 338 for Corporations Making Qualified Stock Purchases, to the Form 5471 filed with respect to the purchasing corporation for the tax year that includes the acquisition date (see the Instructions for Form 8023 for details).

Reportable transaction disclosure statement. If a U.S. shareholder of a CFC is considered to have participated in a reportable transaction under the rules of Regulations section 1.6011-4(c)(3)(i)(G), the shareholder is required to disclose information for each reportable transaction. Form 8886, Reportable Transaction Disclosure Statement, must be filed for each tax year indicated in Regulations section 1.6011-4(c)(3)(i)(G). The following are reportable transactions.

1. Any listed transaction, which is a transaction that is the same as or substantially similar to one of the types of transactions that the IRS has determined to be a tax avoidance transaction and identified by notice, regulation, or other published guidance as a listed transaction.

2. Any transaction offered under conditions of confidentiality for which the corporation (or a related party) paid an advisor a fee of at least \$250,000.

3. Certain transactions for which the corporation (or a related party) has contractual protection against disallowance of the tax benefits.

4. Certain transactions resulting in a loss of at least \$10 million in any single year or \$20 million in any combination of years.

5. Any transaction identified by the IRS by notice, regulation, or other published guidance as a "transaction of interest." See Notice 2009-55, 2009-31 I.R.B. 170, available at [IRS.gov/irb/2009-31_IRB#NOT-2009-55](https://www.irs.gov/irb/2009-31_IRB#NOT-2009-55).

For more information, see Regulations section 1.6011-4. Also, see the Instructions for Form 8886.

Penalties. The U.S. shareholder may have to pay a penalty if it is required to disclose a reportable transaction under section 6011 and fails to properly complete and file Form 8886. Penalties may also apply under section 6707A if the U.S. shareholder fails to file Form 8886 with its income tax return, fails to provide a copy of Form 8886 to the Office of Tax Shelter Analysis (OTSA), or files a form that fails to include all the information required (or includes incorrect information). Other penalties, such as an accuracy-related penalty under section 6662A, may also apply. See the Instructions for Form 8886 for details on these and other penalties.

Reportable transactions by material advisors.

Material advisors to any reportable transaction must disclose certain information about the reportable transaction by filing Form 8918, Material Advisor Disclosure Statement, with the IRS. For details, see the Instructions for Form 8918.

Reporting other foreign financial assets. If you have other foreign financial assets, you may be required to file Form 8938, Statement of Specified Foreign Financial Assets. However, you are not required to report any items otherwise reported on Form 5471 on that form. See the Instructions for Form 8938 for more information.

Penalties

Failure to file information required by section 6038(a) (Form 5471 and Schedule M).

- A \$10,000 penalty is imposed for each annual accounting period of each foreign corporation for failure to furnish the information required by section 6038(a) within the time prescribed. If the information is not filed within 90 days after the IRS has mailed a notice of the failure to the U.S. person, an additional \$10,000 penalty (per foreign corporation) is charged for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000 for each failure.

- Any person who fails to file or report all of the information required within the time prescribed will be

subject to a reduction of 10% of the foreign taxes available for credit under sections 901 and 960. If the failure continues 90 days or more after the date the IRS mails notice of the failure to the U.S. person, an additional 5% reduction is made for each 3-month period, or fraction thereof, during which the failure continues after the 90-day period has expired. See section 6038(c)(2) for limits on the amount of this penalty.

See Regulations sections 1.6038-1(j)(4) and 1.6038-2(k)(3) for alleviation of this penalty in certain cases.

Failure to file information required by section 6046 and the related regulations (Form 5471 and Schedule O). Any person who fails to file or report all of the information requested by section 6046 is subject to a \$10,000 penalty for each such failure for each reportable transaction. If the failure continues for more than 90 days after the date the IRS mails notice of the failure, an additional \$10,000 penalty will apply for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000. See section 6679.

Criminal penalties. Criminal penalties under sections 7203, 7206, and 7207 may apply for failure to file the information required by sections 6038 and 6046.

Note. Any person required to file Form 5471 and Schedule J, M, or O who agrees to have another person file the form and schedules for them may be subject to the above penalties if the other person does not file a correct and proper form and schedule.

Section 6662(j). Penalties may be imposed for undisclosed foreign financial asset understatements. No penalty will be imposed with respect to any portion of an underpayment if the taxpayer can demonstrate that the failure to comply was due to reasonable cause with respect to such portion of the underpayment and the taxpayer acted in good faith with respect to such portion of the underpayment. See sections 6662(j) and 6664(c) for additional information.

Inapplicability of certain penalties. Certain penalties under sections 6038 and 6662 may be waived for certain persons under Rev. Proc. 2019-40. See section 7 of Rev. Proc. 2019-40 for more details.

Other Reporting Requirements

Reporting exchange rates on Form 5471. When translating amounts from functional currency to U.S. dollars, you must use the method specified in these instructions. For example, when translating amounts to be reported on Schedule E, you must generally use the average exchange rate as defined in section 986(a). But, regardless of the specific method required, all exchange rates must be reported using a “divide-by convention” rounded to at least four places. That is, the exchange rate must be reported in terms of the amount by which the functional currency amount must be divided in order to reflect an equivalent amount of U.S. dollars. As such, the exchange rate must be reported as the units of foreign currency that equal one U.S. dollar, rounded to at least four places. **Do not** report the exchange rate as the

number of U.S. dollars that equal one unit of foreign currency.

Note. You must round the result to more than four places if failure to do so would materially distort the exchange rate or the equivalent amount of U.S. dollars.

Example. During its annual accounting period, the foreign corporation paid income taxes of 30,255,400 Yen to Japan. The Schedule E instructions specify that the foreign corporation must translate these amounts into U.S. dollars at the average exchange rate for the tax year to which the tax relates in accordance with the rules of section 986(a). The average exchange rate is 108.8593 Japanese Yen to one U.S. dollar or (0.009184) U.S. dollar to one Japanese Yen. The foreign corporation divides 30,255,400 Yen by 108.8593 to determine the U.S. dollar amount to enter in column (l) of Schedule E, Part I, Section 1, line 1. Line 1 of Schedule E, Part I, Section 1, is completed in relevant part as follows.

- Enter the name of the payor entity in column (a).
- Enter the payor entity’s employer identification number (EIN) or reference ID number in column (b).
- Enter “JA” in column (d).
- Enter “JPY” in column (i).
- Enter “30,255,400 Yen” in column (j).
- Enter “108.8593” in column (k).
- Enter “277,931” in column (l).

Computer-Generated Form 5471 and Schedules

Generally, all computer-generated forms must receive prior approval from the IRS and are subject to an annual review. However, see the *Exception* below. Requests for approval may be submitted electronically to substituteforms@irs.gov, or requests may be mailed to:

Internal Revenue Service
Attention: Substitute Forms Program
C:DC:TS:CAR:MP:P:TP
1111 Constitution Ave. NW
Room 6554
Washington, DC 20224

Exception. If a computer-generated Form 5471 and its schedules conform to and do not deviate from the official form and schedules, they may be filed without prior approval from the IRS.

Important. Be sure to attach the approval letter to Form 5471. However, if the computer-generated form is identical to the IRS-prescribed form, it does not need to go through the approval process, and an attachment is not necessary.

Every year, the IRS issues a revenue procedure to provide guidance for filers of computer-generated forms. In addition, every year, the IRS issues Pub. 1167, General Rules and Specifications for Substitute Forms and Schedules, which reprints the most recent applicable revenue procedure. Pub. 1167 is available at [IRS.gov/Pub. 1167](https://www.irs.gov/pub/1167).

Dormant Foreign Corporations

Rev. Proc. 92-70, 1992-2 C.B. 435, provides a summary filing procedure for filing Form 5471 for a dormant foreign

corporation (defined in section 3 of Rev. Proc. 92-70). This summary filing procedure will satisfy the reporting requirements of sections 6038 and 6046.

If you elect the summary procedure, complete only page 1 of Form 5471 for each dormant foreign corporation as follows.

- The top margin of the summary return must be labeled "Filed Pursuant to Rev. Proc. 92-70 for Dormant Foreign Corporation."
 - Include filer information such as name and address, items A through C, and tax year.
 - Include corporate information such as the dormant corporation's annual accounting period (below the title of the form) and items 1a, 1b, 1c, and 1d.
- For more information, see Rev. Proc. 92-70.

File this summary return in the manner described under *When and Where To File*, earlier.

Treaty-Based Return Positions

You are generally required to file Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), to disclose a return position that any treaty of the United States (such as an income tax treaty; an estate and gift tax treaty; or a friendship, commerce, and navigation treaty):

- Overrides or modifies any provision of the Internal Revenue Code; and
- Causes, or potentially causes, a reduction of any tax incurred at any time.

See Form 8833 for exceptions.

Failure to make a required disclosure may result in a \$1,000 penalty (\$10,000 for a C corporation). See section 6712.

Section 362(e)(2)(C) Elections

The transferor and transferee in certain section 351 transactions may make a joint election under section 362(e)(2)(C) to limit the transferor's basis in the stock received instead of the transferee's basis in the transferred property. The election is made by a statement as provided in Regulations section 1.362-4(d)(3).



Do not attach the statement described above to Form 5471.

Corrections to Form 5471

If you file a Form 5471 that you later determine is incomplete or incorrect, file a corrected Form 5471 with an amended tax return, using the amended return instructions for the return with which you originally filed Form 5471. Enter "Corrected" at the top of the form and attach a statement identifying the changes.

Foreign Disregarded Entities and Branches

If the foreign corporation for which you are furnishing information is the tax owner of a foreign disregarded entity (FDE) or foreign branch (FB), or a partner in a partnership, the amounts reported on Form 8858, Schedules K-1 and K-3 of Form 1065, or Schedules K-1 and K-3 of Form 8865 must be included in determining the amounts reported on Form 5471. The "tax owner" of an FDE is the

person that is treated as owning the assets and liabilities of the FDE for purposes of U.S. income tax law.

Specific Instructions

Important. If the information required in a given section exceeds the space provided within that section, **do not** enter "See attached" in the section and then attach all of the information on additional sheets. Instead, complete all entry spaces in the section and attach the remaining information on additional sheets. The additional sheets must conform with the IRS version of that section.

Identifying Information

Annual Accounting Period

Enter, in the space provided below the title of Form 5471, the annual accounting period of the foreign corporation for which you are furnishing information. Except for information contained on Schedule O, report information for the tax year of the foreign corporation that ends with or within your tax year. When filing Schedule O, report acquisitions, dispositions, and organizations or reorganizations that occurred during your tax year.

Section 898 specified foreign corporation (SFC). The annual accounting period of an SFC (as defined in section 898) is generally required to be the tax year of the corporation's majority U.S. shareholder. If there is more than one majority shareholder, the required tax year will be the tax year that results in the least aggregate deferral of income to all U.S. shareholders of the foreign corporation.

For these purposes, section 898(b) defines an SFC as any foreign corporation:

1. That is treated as a CFC for any purpose under subpart F, and
2. In which more than 50% of the total voting power or value of all classes of stock of the corporation is treated as owned by a U.S. shareholder.

For more information, see section 898 and Rev. Proc. 2006-45, 2006-45 I.R.B. 851, available at [IRS.gov/irb/2006-45_IRB#RP-2006-45](https://www.irs.gov/irb/2006-45_IRB#RP-2006-45), as modified by Rev. Proc. 2007-64, 2007-42 I.R.B. 818, available at [IRS.gov/irb/2007-42_IRB#RP-2007-64](https://www.irs.gov/irb/2007-42_IRB#RP-2007-64).

Name of Person Filing This Return

The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing this return." Be sure to list each U.S. shareholder of the foreign corporation in Schedule B, Part I.

Name change. If the name of either the person filing the return or the corporation whose activities are being reported changed within the past 3 years, show the prior name(s) in parentheses after the current name.

Address

Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the U.S. person has a P.O. box, show the box number instead.

Foreign address. Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code, if any. Do not abbreviate the country name.

Item A—Identifying Number

The identifying number of an individual is his or her social security number (SSN). The identifying number of all others is their EIN. If a U.S. corporation that owns stock in a foreign corporation is a member of a consolidated group, list the common parent as the person filing the return and enter its EIN in item A.

Item B—Category of Filer

Complete item B to indicate the category or categories that describe the person filing this return. If more than one category applies, check all boxes that apply. See [Categories of Filers](#), earlier.

Note. If you satisfy the requirements of both Category 4 and Category 5a filers, only check the box for Category 4 and leave the box for Category 5a blank.

Item C—Percentage of Voting Stock Owned

Enter the total percentage of the foreign corporation's voting power you owned directly, indirectly, or constructively at the end of the corporation's annual accounting period.

Item D—Final Year

Check the item D checkbox only if this is the final year of the foreign corporation's existence as a corporation for federal tax purposes, for example, if a reorganization has occurred, a complete liquidation has occurred, or an election to treat the foreign corporation as a disregarded entity has been made. If this item D is checked, complete Schedule O.

Item E—Excepted Specified Foreign Financial Assets

Check the item E checkbox if any excepted specified foreign financial assets are reported on Form 5471. If this is the case, you do not have to also report these assets on Form 8938. It is only necessary to complete Form 8938, Part IV, line 17. For more information, see the Instructions for Form 8938, generally, and in particular, *Duplicative Reporting* and the specific instructions for *Part IV, Excepted Specified Foreign Financial Assets*.

Item F—Alternative Information Under Rev. Proc. 2019-40

Check the item F checkbox if Form 5471 has been completed using alternative information (as defined in section 3.01 of Rev. Proc. 2019-40).

Section 5 of Rev. Proc. 2019-40 provides a safe harbor for determining certain items, including taxable income and E&P, of certain CFCs based on alternative

information. Specifically, in the case of a foreign-controlled CFC with respect to which there is no related section 958(a) U.S. shareholder, if information satisfying the requirements of Regulations section 1.952-2(a), (b), and (c)(2) and section 964 and the regulations thereunder is not readily available to an unrelated section 958(a) U.S. shareholder or an unrelated constructive U.S. shareholder with respect to the foreign-controlled CFC, an amount reported on a Form 5471 may be determined by the unrelated section 958(a) U.S. shareholder or the unrelated constructive U.S. shareholder, as applicable, on the basis of alternative information (without adjustments other than those described in section 3.01(b) and 3.10 of the revenue procedure) with respect to the foreign-controlled CFC. See section 3 of Rev. Proc. 2019-40 for definitions of terms.

Section 6 of Rev. Proc. 2019-40 provides a safe harbor for determining certain items of certain SFCs based on alternative information. Specifically, in the case of an SFC, other than either a foreign-controlled CFC with respect to which there is no related section 958(a) U.S. shareholder or a U.S. controlled CFC, if information satisfying the requirements of section 964 and the regulations thereunder is not readily available to an unrelated section 958(a) U.S. shareholder or an unrelated constructive U.S. shareholder with respect to the SFC, an amount reported on a Form 5471 may be determined by the unrelated section 958(a) U.S. shareholder or the unrelated constructive U.S. shareholder, as applicable, on the basis of alternative information (without adjustments other than those described in sections 3.01(b) and 3.10 of the revenue procedure) with respect to the SFC. See section 3 of Rev. Proc. 2019-40 for definitions of terms.

Item G—Alternative Information Code

If the item F checkbox is checked, enter the applicable code from the list provided below.

01	Audited separate-entity financial statements of the foreign corporation that are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP).
02	Audited separate-entity financial statements of the foreign corporation that are prepared on the basis of international financial reporting standards (IFRS).
03	Audited separate-entity financial statements of the foreign corporation that are prepared on the basis of the generally accepted accounting principles of the jurisdiction in which the foreign corporation is organized ("local-country GAAP").
04	Unaudited separate-entity financial statements of the foreign corporation that are prepared in accordance with U.S. GAAP.
05	Unaudited separate-entity financial statements of the foreign corporation that are prepared on the basis of IFRS.
06	Unaudited separate-entity financial statements of the foreign corporation that are prepared on the basis of local-country GAAP.
07	Separate-entity records used by the foreign corporation for tax reporting.
08	Separate-entity records used by the foreign corporation for internal management controls or regulatory or other similar purposes.

Information described in a code listed above qualifies as alternative information only if information described in any preceding code is not “readily available” (as defined in section 3.04 of Rev. Proc. 2019-40). For example, information described in code 03 above qualifies as alternative information only if information described in codes 01 and 02 is not readily available.

For more information, see [Rev. Proc. 2019-40](#).

Item H—Person(s) on Whose Behalf This Information Return Is Filed

One person may file Form 5471 and the applicable schedules for other persons who have the same filing requirements. See [Multiple filers of same information](#), earlier. The person that files the required information on behalf of other persons must complete a joint Form 5471 according to the applicable column(s) of the [Filing Requirements for Categories of Filers](#), earlier. This includes completing item H on page 1 of the form. When completing item H with respect to members of a consolidated group, identify only the direct owners in item H (constructive owners are not required to be listed).

A separate Schedule I must be filed for each person described in Category 4, 5a, or 5b. For each Category 4, 5a, or 5b filer that is required to file a Schedule I, send a copy of their separate Schedule I to them to assist them in completing their tax return.

A separate Schedule H-1 must be attached for each person described in Category 4, 5a, or 5b. For each Category 4, 5a, or 5b filer that is required to file Schedule H-1, send a copy of their separate Schedule H-1 to them to assist them in completing their tax return.

Filing requirements for persons identified in item H.

Except for members of the filer's consolidated return group, all persons identified in item H must attach a statement to their tax returns that includes the following information.

- The name, address, and EIN (or reference ID number) of the foreign corporation(s).
- A statement that their filing requirements with respect to the foreign corporation(s) have been or will be satisfied.
- The name, address, and identifying number of the taxpayer on the return with which the information was or will be filed.
- The IRS Service Center where the return was or will be filed. If the return was or will be filed electronically, enter “e-file.”

Exception. If the person who is filing Form 5471 on behalf of others is married to a person identified in item H and they are filing Form 1040 jointly, the statement described above does not have to be attached to the jointly filed Form 1040.



All persons identified in item H must complete a separate Schedule P (Form 5471) if the person is a U.S. shareholder described in Category 1a, 1b, 4, 5a, or 5b. In such a case, the Schedule P must be attached to the statement described above.

Item 1b(2)—Reference ID Number

A reference ID number (defined below) is required in item 1b(2) only in cases where no EIN was entered in item 1b(1) for the foreign corporation. However, filers are permitted to enter both an EIN in item 1b(1) and a reference ID number in item 1b(2). If applicable, enter the reference ID number you have assigned to the foreign corporation identified in item 1a.

A “reference ID number” is a number established by or on behalf of the U.S. person identified at the top of page 1 of the form that is assigned to a foreign corporation with respect to which Form 5471 reporting is required. These numbers are used to uniquely identify the foreign corporation in order to keep track of the corporation from tax year to tax year.

The reference ID number must meet the requirements set forth below.

Note. Because reference ID numbers are established by or on behalf of the U.S. person filing Form 5471, there is no need to apply to the IRS to request a reference ID number or for permission to use these numbers.

Note. The reference ID number assigned to a foreign corporation on Form 5471 generally has relevance only on Form 5471, its schedules, and any other form that is attached to or associated with Form 5471, and generally should not be used with respect to that foreign corporation on any other IRS forms. However, the foreign corporation's reference ID number should also be entered on Form 8858 if the foreign corporation is listed as a tax owner of an FDE or FB on Form 8858. See the instructions for Form 8858, line 3c(2), for more information. Also, if a U.S. shareholder is required to file Schedule A (Form 992) or Schedule B (Form 992) with respect to the CFC, the reference ID number on Form 5471 and the reference ID number used on Schedule A (Form 992) or Schedule B (Form 992) for that CFC must be the same.

Requirements. The reference ID number that is entered in item 1b(2) must be alphanumeric (defined below) and no special characters or spaces are permitted. The length of a given reference ID number is limited to 50 characters.

The same reference ID number must be used consistently from tax year to tax year with respect to a given foreign corporation. If for any reason a reference ID number falls out of use (for example, the foreign corporation no longer exists due to disposition or liquidation), the reference ID number used for that foreign corporation cannot be used again for another foreign corporation for purposes of Form 5471 reporting.

For these purposes, the term “alphanumeric” means the entry can be alphabetical, numeric, or any combination of the two.

Taxpayers no longer have the option of entering “FOREIGNUS” or “APPLIED FOR” in a column that requests an EIN or reference ID number with respect to a foreign entity. Instead, if the foreign entity does not have an EIN, the taxpayer must enter a reference ID number that uniquely identifies the foreign entity.

Correlation issues. There are some situations that warrant correlation of a new reference ID number with a

previous reference ID number when assigning a new reference ID number to a foreign corporation. For example:

- In the case of a merger or acquisition, a Form 5471 filer must use a reference ID number that correlates the previous reference ID number with the new reference ID number assigned to the foreign corporation; or
- In the case of an entity classification election that is made on behalf of a foreign corporation on Form 8832, Regulations section 301.6109-1(b)(2)(v) requires the foreign corporation to have an EIN for this election. For the first year that Form 5471 is filed after an entity classification election is made on behalf of the foreign corporation on Form 8832, the new EIN must be entered in item 1b(1) of Form 5471 and the old reference ID number must be entered in item 1b(2). In subsequent years, the Form 5471 filer may continue to enter both the EIN in item 1b(1) and the reference ID number in item 1b(2), but must enter at least the EIN in item 1b(1).

You must correlate the reference ID numbers as follows: Enter the new reference ID number in item 1b(2) and enter the previous reference ID number(s) in item 1b(3). If there is more than one old reference ID number, you must enter a space between each such number. As indicated above, the length of a given reference ID number is limited to 50 characters and each number must be alphanumeric and no special characters are permitted.

Note. This correlation requirement applies only to the first year the new reference ID number is used and it applies only on Form 5471, page 1, items 1b(2) and 1b(3). On all separate schedules for Form 5471, please enter only the current reference ID number in the applicable entry space.

Item 1b(3)—Previous Reference ID Number(s), if Any

See *Correlation issues*, earlier.

Items 1f and 1g—Principal Business Activity

Enter the principal business activity code number and the description of the activity from the list at the end of these instructions.



Effective beginning with tax year 2022, several changes were made to the principal business activities and codes listed at the end of these instructions. See the revised list before entering a six-digit code and the description of the activity on page 1, items 1f and 1g.

Item 1h—Functional Currency

The foreign corporation's functional currency is determined under section 985. Enter the applicable three-character alphabet code for the foreign corporation's functional currency using the ISO 4217 standard. These codes are available at six-group.com/en/products-services/financial-information/data-standards.html#scrollTo=currency-codes. Click on List One (XLS).

Regulations sections 1.6038-2(h) and 1.6046-1(g) require that certain amounts be reported in U.S. dollars and/or in the foreign corporation's functional currency. The

specific instructions for the affected schedules state these requirements.

Special rules apply for foreign corporations that use the U.S. dollar approximate separate transactions method of accounting (DASTM) under Regulations section 1.985-3. See [Schedule C](#), [Schedule F](#), and [Schedule H](#), later.

Schedule B

Note. If any person (including the filer) is both a U.S. shareholder and a direct shareholder of the foreign corporation, that person's information should be provided in both Schedule B, Part I and Part II.

Part I

Category 3 and 4 filers must complete Schedule B, Part I, for U.S. persons that owned (at any time during the annual accounting period), directly or indirectly through foreign entities, 10% or more of the total combined voting power of all classes of stock entitled to vote of the foreign corporation, or 10% or more of the total value of shares of all classes of stock of the foreign corporation.

A person that is both a category 3 and category 5 filer because it is treated as a U.S. shareholder under section 953(c)(1)(A) with respect to the foreign corporation must complete Schedule B, Part I, for U.S. persons that owned (on the last day of the foreign corporation's tax year), directly or indirectly through foreign entities, any of the foreign corporation's outstanding stock.

Column (e). Enter each shareholder's allocable percentage of the foreign corporation's subpart F income.

Part II

Category 1a, 1c, 3, 4, 5a, and 5c filers must complete Part II.

Report the direct shareholders of the foreign corporation. In the case of a CFC owned by an FDE, please include the information of the FDE and the regarded entity owner. Indicate the regarded entity owner's name in parentheses after the FDE's name. If there is more than one regarded entity owner, use separate lines for each, listing each regarded entity owner in column (a) and reporting the information requested in columns (b), (c), and (d) for each such regarded entity owner.

Category 4 filers should list all direct owners of the CFC. Category 1a, 3, and 5a filers should list all direct owners of the SFC or CFC through which such filer indirectly owns the SFC or CFC as described in section 958(a)(2). Category 1c and 5c filers should list all direct owners of the SFC or CFC from which such filer is attributed ownership in the SFC or CFC as described in section 958(b). If the filer is a direct owner, include the filer's direct ownership.

Schedule C

Report all information in the foreign corporation's functional currency in accordance with U.S. GAAP and translate using U.S. GAAP translation principles.

If the foreign corporation uses the DASTM under Regulations section 1.985-3, the functional currency

column should reflect local hyperinflationary currency amounts computed in accordance with U.S. GAAP. The U.S. dollar column should reflect such amounts translated into dollars under U.S. GAAP translation rules. Differences between this U.S. dollar GAAP column and the U.S. dollar income or loss figured for tax purposes under Regulations section 1.985-3(c) should be accounted for on Schedule H. See [Schedule H, Special rules for DASTM](#), later.

Line 8. Enter foreign currency transaction gain or loss reported on the income statement. For amounts included in Other Comprehensive Income (OCI), see [Lines 23 and 24](#), later. Enter unrealized gain or loss on line 8a and realized gain or loss on line 8b.

Line 16. Enter transactional taxes excluding items reportable in income tax expense (benefit). Report income taxes on line 21.

Line 20. The term “unusual or infrequently occurring items” is defined by U.S. GAAP (see FASB Accounting Standards Codification (ASC) Topic 220 (Income Statement), Subtopic 220-20 (Unusual or Infrequently Occurring Items) or subsequent guidance). If “prior period adjustments” are not reported separately on the income statement, do not report such amounts on this line item (see ASC 250 (Accounting Changes and Error Corrections) or subsequent guidance).

Line 21. Enter income tax expense (benefit) reported in accordance with U.S. GAAP (ASC 740 (Income Taxes)). Income tax expense (benefit) includes current and deferred income tax expense (benefit). It may also reflect uncertain tax positions (ASC 740-10) and would not include taxes paid in respect of uncertain tax positions recorded in prior years. Enter the current income tax expense (benefit) on line 21a and deferred income tax expense (benefit) on line 21b.

Note. If there is an income tax expense amount on line 21a or 21b, subtract that amount from the line 19 net income or (loss) amount in arriving at line 22 current year net income or (loss) per the books. If there is an income tax benefit amount on line 21a or 21b, add that amount to the line 19 net income or (loss) amount in arriving at line 22 current year net income or (loss) per the books.

Lines 23 and 24. Enter amounts defined in ASC 220 (Income Statement—Reporting Comprehensive Income).

Line 23a. Enter foreign currency translation adjustments before the income tax expense (benefit) is allocated.

Line 23b. Enter other comprehensive income such as foreign currency gains or losses on certain hedging transactions, pensions and other post-retirement benefits, and certain investments available-for-sale.

Line 23c. Enter the income tax expense (benefit) allocated to OCI items in the intraperiod allocation.

Important. Differences between the functional currency amount of income tax expense (benefit) reported on line 21 and the amount of taxes that reduce or increase U.S. E&P should be accounted for on line 2g of Schedule H.

Schedule F

Report all information in U.S. dollars. Generally, the foreign corporation's balance sheet is prepared in functional currency and translated to U.S. dollars using U.S. GAAP translation rules. If the foreign corporation uses DASTM, the tax balance sheet on Schedule F should be prepared and translated into U.S. dollars according to Regulations section 1.985-3(d), rather than U.S. GAAP.

Lines 3 and 17. Enter the total asset amount of derivatives on line 3 and total amount of liability on line 17 reported in accordance with ASC 815 (Derivatives and Hedging). Do not net positions.

Include all derivatives, both short-term and long-term.

Schedule G

Note. Category 1b and 5b filers are not required to file Schedule G for foreign-controlled section 965 SFCs and foreign-controlled CFCs, respectively.

Question 1

If the foreign corporation owned at least a 10% interest, directly or indirectly, in any foreign partnership, attach a statement listing the following information for each foreign partnership.

1. Name and EIN (if any) of the foreign partnership.
2. Identify which, if any, of the following forms the foreign partnership filed for its tax year ending with or within the corporation's tax year: Form 1042, 1065, or 8804.
3. Name of the partnership representative (if any).
4. Beginning and ending dates of the foreign partnership's tax year.

Question 3

Check the “Yes” box if the foreign corporation is the tax owner of an FDE or FB. The “tax owner” of an FDE is the person that is treated as owning the assets and liabilities of the FDE for purposes of U.S. income tax law.

If the foreign corporation is the tax owner of an FDE or FB and you are a Category 4, 5a, or 5c filer of Form 5471, you are required to attach Form 8858 to Form 5471. If you are required to attach Form 8858 to Form 5471, the amounts reported on certain schedules on Form 8858 must be included in determining the amounts reported on the equivalent schedules as follows.

IF amounts were reported on...	THEN take those amounts into account (converting from GAAP to tax as necessary) when determining the amounts to be reported on...
Form 8858, Schedule C	Form 5471, Schedule C.
Form 8858, Schedule F	Form 5471, Schedule F.
Form 8858, Schedule H	Schedule H (Form 5471).
Form 8858, Schedule J	Schedules E and E-1 (Form 5471).
Schedule M (Form 8858)	Schedule M (Form 5471).

If the foreign corporation is the tax owner of an FDE or FB and you are not a Category 1b, 4, or 5 filer of Form

5471, you must attach the statement described below in lieu of Form 8858.

Statement in lieu of Form 8858. This statement must list the name of the FDE or FB, country under whose laws the FDE or FB was organized, and EIN (if any) of the FDE or FB.

Questions 4b and 4c

Complete lines 4b and 4c if:

1. The foreign corporation is a related party to the U.S. filer within the meaning of section 59A(g); and
2. The U.S. filer made or accrued a base erosion payment to, or has a base erosion tax benefit with respect to, the foreign corporation.

The term “base erosion payment” generally means any amount paid or accrued by the U.S. filer to a foreign corporation that is a related party to the U.S. filer within the meaning of section 59A(g) and with respect to which a U.S. deduction is allowed under chapter 1 of the Code. See section 59A(d)(1). Base erosion payments also include amounts received or accrued by the foreign corporation in connection with the acquisition of depreciable or amortizable property (section 59A(d)(2)), reinsurance payments (section 59A(d)(3)), and certain payments relating to expatriated entities (section 59A(d)(4)).

The term “base erosion tax benefit” generally means any U.S. deduction that is allowed under chapter 1 for the tax year with respect to any base erosion payment. See section 59A(c)(2)(A) and (B) for further details.

Questions 5a and 5b

If the foreign corporation paid or accrued any interest or royalty (including in the case of a foreign corporation that is a partner in a partnership, the foreign corporation’s allocable share of interest or royalty paid by the partnership) for which a deduction is disallowed under section 267A, check “Yes” for question 5a and enter the total amount for which a deduction is not allowed on line 5b. The amount reported on line 5b should not include disallowed deductions attributable to interest or royalty paid or accrued by a U.S. taxable branch of the foreign corporation; such amounts are reported on Form 1120-F.

Interest or royalty paid or accrued by a foreign corporation (including through a partnership) is subject to section 267A, provided in general that the foreign corporation is a CFC (and there are one or more U.S. tax residents that own directly or indirectly at least 10% of the stock of the CFC). Section 267A disallows a deduction for certain interest or royalty paid or accrued pursuant to a hybrid arrangement, to the extent that, under the foreign tax law, there is not a corresponding income inclusion (including long-term deferral). For more detailed instructions, see the instructions for Form 1120, Schedule K, Question 21.

Question 6

Check the “Yes” box on line 6a if the filer is claiming a deduction under section 250 with respect to foreign-derived intangible income (FDII), and enter the amounts requested on lines 6b, 6c, and 6d. Enter U.S. dollar amounts on lines 6b, 6c, and 6d, translated from functional currency at the average exchange rate for the foreign corporation’s tax year (see section 989(b)). See Form 8993 and its instructions for information on the section 250 deduction. If no deduction is being claimed, check the “No” box on line 6a and go to line 7.

Question 9a

Under section 367(d), a U.S. transferor must report an annual income inclusion attributed to the intangible property transferred to a foreign corporation over the useful life of the property. Check “Yes” if the foreign corporation received any intangible property in a prior year or the current tax year in an exchange under section 351 or section 361 from a U.S. transferor that is required to report a section 367(d) annual income inclusion for the tax year. If “Yes,” complete line 9b.

Question 9b

Enter in functional currency the amount of the E&P reduction made by the foreign corporation for the current tax year that equals the amount required to be included in the income of the U.S. transferor. See section 367(d). This amount should also be entered on Schedule H (Form 5471), Current Earnings and Profits, as a net subtraction on line 2i.

Question 10

A foreign corporation may qualify as an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9) if such foreign corporation is a CFC with respect to which an expatriated entity, as defined in Regulations section 1.7874-12(a)(8), is a U.S. shareholder. Certain transactions involving an expatriated foreign subsidiary and/or its U.S. shareholders may be subject to special rules. If the answer to Question 10 is “Yes,” attach a statement providing the name and EIN of the domestic corporation or partnership, as defined in Regulations section 1.7874-12(a)(6), and the relationship of the foreign corporation to the domestic corporation or partnership.

Question 14

Check the “Yes” box on line 14 if you answer “Yes” to any of the 22 questions in the Schedule G, Line 14 table below. If “Yes,” enter the corresponding code(s) from the table in the entry space provided on line 14 of the form. Enter the applicable corresponding code in capital letters. Enter a space between each code. Also attach the statement described in the table below.

Form 5471, Schedule G, Line 14

	Question	See Worksheet A in the Schedule I instructions	If "Yes," corresponding code to enter on Schedule G, line 14	Code description	If "Yes," content of statement to be attached to Form 5471
1	During the tax year, was the sum of the CFC's foreign base company income (determined without regard to deductions) and gross insurance income less than the lesser of 5% of gross income or \$1 million?	In other words, is line 7 less than line 8 and less than \$1 million?	DM	De minimis	Amount excluded by reason of the de minimis rule (but only to the extent not already included in amounts below)
2	During the tax year, did the CFC receive any item of income that was subject to an effective rate of income tax imposed by a foreign country greater than 90% of the maximum rate of tax specified in section 11?	In other words, is line 13i, 14f, 15f, 16f, 17f, or 18j of Worksheet A greater than zero?	HT	High tax	Sum of the amounts from lines 13g, 14d, 15d, 16d, 18d, and 19d
3	During the tax year, was the CFC's foreign personal holding company income, foreign base company sales income, foreign base company services income, or full inclusion foreign base company income reduced so as to take into account any deductions (including taxes)?	In other words, is line 13b, 13d, 13e, 14b, 15b, or 18f of Worksheet A greater than zero?	DED	Deductions taken into account	Sum of the amounts from lines 13b, 13d, 13e, 14b, 15b, and 16b
4	During the tax year, did the CFC have any gains or losses that (a) arise out of commodity hedging transactions; (b) are active business gains or losses from the sale of commodities (and substantially all of the corporation's commodities are property described in section 1221(a)(1), (2), or (8)); or (c) are foreign currency gains or losses (as defined in section 988(b)) attributable to any section 988 transactions?	In other words, are any amounts described in section 954(c)(1)(C)(i), (ii), or (iii) excluded from line 1e of Worksheet A?	AHC	Active/hedging commodities	Sum of the excluded amounts described in section 954(c)(1)(C)(i), (ii), and (iii)
5	During the tax year, did the CFC have excess foreign currency gains over foreign currency losses (as defined in section 988(b)) attributable to any section 988 transaction directly related to the business needs of the foreign corporation?	In other words, are any amounts excluded from line 1d of Worksheet A by reason of being attributable to a transaction(s) directly related to the business needs of the foreign corporation?	BN	Business needs	Amount excluded
6	During the tax year, did the CFC receive, from a person other than a related person within the meaning of section 954(d)(3), rents or royalties that were derived in the active conduct of a trade or business?	In other words, are any amounts described in section 954(c)(2)(A) excluded from line 1a of Worksheet A?	ARR	Active rents/royalties	Amount excluded
7	During the tax year, did the CFC derive, in the conduct of a banking business, interest that is export financing interest?	In other words, are any amounts described in section 954(c)(2)(B) excluded from line 1a of Worksheet A?	EF	Certain export financing	Amount excluded
8	During the tax year, was the CFC a regular dealer in property described in section 954(c)(1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities)? If so, did the foreign corporation derive any item of income, gain, deduction, or loss (other than any item described in section 954(c)(1)(A), (E), or (G)) from any transaction entered into in the ordinary course of its trade or business as a regular dealer?	In other words, are any amounts described in section 954(c)(2)(C)(i) excluded from line 1a of Worksheet A?	RD	Regular dealers	Amount excluded

Form 5471, Schedule G, Line 14 (continued)

	Question	See Worksheet A in the Schedule I instructions	If "Yes," corresponding code to enter on Schedule G, line 14	Code description	If "Yes," content of statement to be attached to Form 5471
9	During the tax year, was the CFC a securities dealer within the meaning of section 475? If so, did the foreign corporation derive any interest or dividend or equivalent amount described in section 954(c)(1)(E) or (G) from any transaction entered into in the ordinary course of its trade or business as a securities dealer?	In other words, are any amounts described in section 954(c)(2)(C)(ii) excluded from line 1a of Worksheet A?	SD	Securities dealers	Amount excluded
10	During the tax year, did the CFC receive dividends* or interest** from a related person that (a) is a corporation created or organized under the laws of the same country under the laws of which the CFC is created or organized, and (b) has a substantial part of its assets used in its trade or business located in the same foreign country? *Dividends (other than dividends with respect to any stock, which are attributable to E&P of the distributing corporation accumulated during any period during which the person receiving such dividend did not hold such stock directly or indirectly through a chain of one or more subsidiaries each of which meets requirements (a) and (b)). **Interest (other than interest that reduces the payor's subpart F income or creates or increases a deficit that may reduce the subpart F income of the payor or another CFC).	In other words, are any amounts described in section 954(c)(3)(A)(i) excluded from line 1a of Worksheet A?	SCDI	Same country dividends/ interest	Amount excluded
11	During the tax year, did the CFC receive, from a corporation that is a related person, rents or royalties* for the use of, or privilege of using, property within the country under the laws of which the CFC is created or organized? *Rents or royalties (other than rents or royalties that reduce the payor's subpart F income or create or increase a deficit that may reduce the subpart F income of the payor or another CFC).	In other words, are any amounts described in section 954(c)(3)(A)(ii) excluded from line 1a of Worksheet A?	SCRR	Same country rents/royalties	Amount excluded
12	During the tax year, did the CFC receive or accrue from a related CFC dividends, interest (including factoring income treated as income equivalent to interest for purposes of section 954(c)(1)(E)), rents, or royalties* attributable or properly allocable to income of the related person which is neither subpart F income nor income treated as effectively connected with the conduct of a trade or business in the United States? *Interest, rents, or royalties (other than interest, rents, or royalties that create or increase a deficit that may reduce the subpart F income of the payor or another CFC).	In other words, are any amounts excluded from line 1a of Worksheet A by reason of the look-through rule described in section 954(c)(6)?	LT	Look through	Amount excluded
13	During the tax year, did the CFC derive income (either directly or through a branch or similar establishment, for example, a disregarded entity) in connection with the purchase or sale from, to, or on behalf of a related person, of agricultural commodities not grown in the United States in commercially marketable quantities?	In other words, are any amounts excluded from line 3 of Worksheet A by reason of the special rule in Regulations section 1.954-3(a)(1)(ii)?	AC	Agricultural commodities	Amount excluded
14	During the tax year, did the CFC derive income (either directly or through a branch or similar establishment, for example, a disregarded entity) in connection with the purchase or sale from, to, or on behalf of a related person, of personal property manufactured in the same country under the laws of which the CFC is created or organized?	In other words, are any amounts that are derived in connection with property that does not satisfy section 954(d)(1)(A) excluded from line 3 of Worksheet A (that is, income excluded by reason of Regulations section 1.954-3(a)(2))?	SCM	Same country manufacturing	Amount excluded

Form 5471, Schedule G, Line 14 (continued)

	Question	See Worksheet A in the Schedule I instructions	If "Yes," corresponding code to enter on Schedule G, line 14	Code description	If "Yes," content of statement to be attached to Form 5471
15	During the tax year, did the CFC derive income (either directly or through a branch or similar establishment, for example, a disregarded entity) in connection with the purchase or sale from, to, or on behalf of a related person, of personal property purchased or sold for use or consumption in the same country under the laws of which the CFC is created or organized?	In other words, are any amounts that are derived in connection with property that does not satisfy section 954(d)(1)(B) excluded from line 3 of Worksheet A (that is, income excluded by reason of Regulations section 1.954-3(a)(3))?	SCSU	Same country sales/use	Amount excluded
16	During the tax year, did the CFC derive income (either directly or through a branch or similar establishment, for example, a disregarded entity) in connection with the purchase or sale from, to, or on behalf of a related person, of personal property manufactured by the CFC within the meaning of Regulations section 1.954-3(a)(4)(ii) or (iii)?	In other words, are any amounts excluded from line 3 of Worksheet A by reason of Regulations section 1.954-3(a)(4)(ii) or (iii)?	PM	Physical manufacturing	Amount excluded
17	During the tax year, did the CFC derive income (either directly or through a branch or similar establishment, for example, a disregarded entity) in connection with the purchase or sale from, to, or on behalf of a related person, of personal property manufactured by the CFC within the meaning of Regulations section 1.954-3(a)(4)(iv)?	In other words, are any amounts excluded from line 3 of Worksheet A by reason of Regulations section 1.954-3(a)(4)(iv)?	SC	Substantial contribution	Amount excluded
18	During the tax year, did the CFC derive income through the conduct of any manufacturing or sales activities (including mere passage of title) through a branch or similar establishment (such as a disregarded entity of the CFC) that would have been foreign base company sales income described in section 954(d) except that either (a) the branch or other similar establishment was not treated as a wholly owned subsidiary separate from the CFC under section 954(d)(2) and the regulations, or (b) the income is not foreign base company sales income after the application of Regulations section 1.954-3(b)(2)(ii)(e)?	In other words, are any amounts excluded from line 3 of Worksheet A by reason of disregarding a branch or similar establishment (including a disregarded entity) of the CFC as separate from the CFC?	BR	Branch	Amount excluded
19	During the tax year, was the CFC an eligible CFC (as defined in section 954(h)(2)) that derived qualified banking or financing income (as defined in section 954(h)(3))?	In other words, are any amounts excluded from lines 1a–1i of Worksheet A by reason of the special rule described in section 954(h)?	AF	Active financing	Amount excluded

Form 5471, Schedule G, Line 14 (continued)

	Question	See Worksheet A in the Schedule I instructions	If "Yes," corresponding code to enter on Schedule G, line 14	Code description	If "Yes," content of statement to be attached to Form 5471
20	During the tax year, was the CFC a qualifying insurance company (as defined in section 953(e)(3)) that derived qualified insurance income (as defined in section 954(i)(2))?	In other words, are any amounts excluded from lines 1a–1i of Worksheet A by reason of the special rule described in section 954(i)?	AI	Active insurance	Amount excluded
21	During the tax year, did the subpart F income of the CFC exceed the earnings and profits of such corporation?	In other words, do E&P on line(s) 13g, 14d, 15d, 16d, 17d, and/or 18h of Worksheet A exceed amounts on line(s) 13f, 14c, 15c, 16c, 17c, and/or 18g, respectively?	EP	Earnings & profits limitation	Excess of line(s) 13g, 14d, 15d, 16d, 17d, and/or 18h (as applicable), over line(s) 13f, 14c, 15c, 16c, 17c, and/or 18g (as applicable)
22	In determining the pro rata share of subpart F income or tested items of the U.S. person filing this return, was the amount of distributions by the CFC during the tax year and described in section 951(a)(2)(B) greater than zero?	In other words, is line 46 of Worksheet A greater than zero?	PRS	Pro Rata Share	The amounts from lines 46 and 47 of Worksheet A
23	Is the U.S. person filing this return relying on any exception(s), exclusion(s), or other provision(s) not listed above to reduce or exclude any amounts reported or reportable as subpart F income (of or with respect to the CFC)?		XX	Other	Amount excluded, reduction amount, or other amount not reported or reportable

Question 15

For the foreign corporation's annual accounting period with respect to which reporting is being made on this Form 5471, if the foreign corporation is required to file a U.S. income tax return (for example, Form 1120-F), check the "Yes" box if the foreign corporation has interest expense disallowed under section 163(j). If "Yes," enter the amount from the current year Form 8990, line 31.

Question 16

For the foreign corporation's annual accounting period with respect to which reporting is being made on this Form 5471, if the foreign corporation is required to file a U.S. income tax return (for example, Form 1120-F), check the "Yes" box if the foreign corporation has previously disallowed interest expense under section 163(j) carried forward to the current tax year. If "Yes," enter the amount from the prior year Form 8990, line 31.

Question 17a

Check the "Yes" box on line 17a if there was an extraordinary reduction with respect to any controlling section 245A shareholder of the foreign corporation, as defined in Regulations section 1.245A-5(i)(2), during the tax year of the foreign corporation. See Regulations section 1.245A-5(e)(2)(i) for the definition of extraordinary reduction.

Question 17b

If the answer to the question on line 17a was "Yes," complete the question on line 17b. Check the "Yes" box on

line 17b if any controlling section 245A shareholder (as defined in Regulations section 1.245A-5(i)(2)) made an election to close the tax year of the foreign corporation such that no amount is treated as an extraordinary reduction amount or tiered extraordinary reduction amount as to any U.S. shareholder of the foreign corporation. See Regulations section 1.245A-5(e)(3)(i) for further guidance regarding the election to close the tax year. If the "Yes" box on line 17b has been checked and the U.S. shareholder filing the Form 5471 is a controlling section 245A shareholder of the foreign corporation, the U.S. shareholder filing this Form 5471 must attach an Elective Section 245A Year-Closing Statement pursuant to Regulations section 1.245A-5(e)(3)(i)(C) containing the information required under Regulations section 1.245A-5(e)(3)(i)(D).

Question 18a

Check the "Yes" box if during the tax year the filer had any loans to or from the foreign corporation to which the safe-haven rate rules of Regulations section 1.482-2(a)(2)(iii)(B) are applicable, and for which the filer used a rate of interest within the relevant safe-haven range of Regulations section 1.482-2(a)(2)(iii)(B)(1) (100% to 130% of the applicable federal rate for the relevant term).

Question 18b

Check the "Yes" box if during the tax year the filer had any loans to or from the foreign corporation to which the safe-haven rate rules of Regulations section 1.482-2(a)(2)(iii)(B) are applicable, and for which the filer used a rate of

interest outside the relevant safe-haven range of Regulations section 1.482-2(a)(2)(iii)(B)(1) (100% to 130% of the applicable federal rate for the relevant term).

Questions 19a and 19b

Complete lines 19a and 19b only if the filer is a domestic corporation. In completing these lines, do not account for debt instruments that were issued, or distributions or acquisitions that occurred, before April 5, 2016. See Regulations section 1.385-3(g)(3) and 1.385-3(b)(3)(viii).

Question 19a

Check the "Yes" box if the filer issued a covered debt instrument in any of the transactions described in Regulations section 1.385-3(b)(2) with respect to the foreign corporation during the tax year. Also check the "Yes" box if the filer issued or refinanced indebtedness owed to a foreign corporation during the 36 months before or after the date of a distribution or acquisition described in Regulations section 1.385-3(b)(3)(i) made by the filer, and either the issuance or refinancing of indebtedness, or the distribution or acquisition, occurred during the tax year. Otherwise, check "No." Apply Regulations section 1.385-3(b)(3)(iii)(E) to determine when a debt instrument is treated as issued for purposes of Regulations section 1.385-3(b)(3)(iii). Apply Regulations section 1.385-3(f) in the case of a controlled partnership within the meaning of Regulations section 1.385-1(c)(1).

Debt that the filer treats as stock pursuant to Regulations section 1.385-3 should still be included when completing line 19a.

Question 19b

Provide the total amount of the transactions described in Regulations section 1.385-3(b)(2) (as measured by the fair market value (FMV) of the distribution or, as the case may be, the property exchanged for the debt instrument), and of the distributions and/or acquisitions described in Regulations section 1.385-3(b)(3)(i) (as measured by the FMV of the property distributed and/or acquired).

Provide the total amount (as measured by issue price in the case of an instrument treated as stock upon issuance, or adjusted issue price in the case of an instrument deemed exchanged for stock) of the debt instrument issuances addressed by line 19a. See Regulations sections 1.385-1(d)(1) and 1.385-3(d). The adjusted issue price of a debt instrument is the issue price increased by the amount of original issue discount previously includible in gross income of any holder and decreased by payments other than payments of stated interest. See section 1272(a)(4) and Regulations section 1.1275-1(b)(1).

Questions 20a and 20b

Certain jurisdictions have enacted legislation to implement the GloBE Model Rules for the Qualified Domestic Minimum Top-up Tax (QDMTT), Income Inclusion Rule (IIR), and UTPR. See Org. for Econ. Coop. & Dev. [OECD], Tax Challenges Arising from the Digitalization of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two) (Dec. 14, 2021), [DOI.org/10.1787/782bac33-en](https://doi.org/10.1787/782bac33-en). Under these rules, if the Effective Tax Rate (ETR) for a jurisdiction is below 15%, Top-up Tax may be imposed.

The amount of Top-up Tax is determined by multiplying the Top-up Tax Percentage (the positive excess of 15% over the ETR in the jurisdiction) by the Excess Profits (the positive amount of the Net GloBE Income in such jurisdiction that exceeds a Substance-based Income Exclusion). The Top-up Tax is collected under the QDMTT, IIR, and/or UTPR.

If the foreign corporation paid or accrued any Top-up Tax during the tax year, check the "Yes" box for Question 20a on page 6 of the form and enter the amount of QDMTT, IIR, and/or UTPR (or similar tax) paid or accrued during the tax year in the space provided on lines 20b(1), 20b(2), and 20b(3).

For more information, see Notice 2023-80, I.R.B. 2023-52 1583 available at [IRS.gov/IRB/2023-52_IRB#NOT-2023-80](https://www.irs.gov/irb/2023-52_IRB#NOT-2023-80).

Schedule I

Use Schedule I to report in U.S. dollars the U.S. shareholder's pro rata share of income from the foreign corporation reportable under subpart F and other income realized from a corporate distribution.

Certain filers may be able to use alternative information (as defined in section 3.01 of Rev. Proc. 2019-40) to determine certain amounts in this schedule. See [Item F—Alternative Information Under Rev. Proc. 2019-40](#), earlier, for more details.

Note. A separate Schedule I must be filed by or for each Category 4, 5a, or 5b U.S. shareholder of the foreign corporation with respect to which reporting is furnished on this Form 5471.

Line 1

Subpart F income. U.S. shareholders of CFCs with subpart F income must report that income on their tax returns. For more information, see sections 245A, 951, 952, and 964(e).

Note. Certain current year deficits of a member of the same chain of corporations may be considered in determining subpart F income. See section 952(c)(1)(C).

Line 1a

Corporate U.S. shareholders should enter the foreign-source portion of any subpart F income inclusions attributable to the sale or exchange by a CFC of stock of another foreign corporation that is eligible for the section 245A dividends received deduction pursuant to section 964(e)(4). Include the amount, if any, that is not eligible for the section 245A dividends received deduction pursuant to section 964(e)(4) on line 1e. Noncorporate U.S. shareholders should leave line 1a blank.

Line 1b

Enter the amount of the U.S. shareholder's subpart F income inclusion attributable to tiered hybrid dividends received by the CFC. In general, a dividend received by a CFC from another CFC is a tiered hybrid dividend to the extent of the sum of the receiving CFC's hybrid deduction accounts with respect to shares of stock of the CFC that pays the dividend. As to a domestic corporation that is a

U.S. shareholder with respect to both CFCs, the tiered hybrid dividend is treated as subpart F income of the receiving CFC, and the U.S. shareholder must include in its gross income its pro rata share of the tiered hybrid dividend. See section 245A(e)(2) and Regulations section 1.245A(e)-1(c) for additional information about tiered hybrid dividends.

Line 1c

Enter the U.S. shareholder's subpart F income inclusion attributable to tiered extraordinary disposition amounts resulting from distributions from an extraordinary disposition account of the shareholder filing this Form 5471 and received by the foreign corporation. See Regulations section 1.245A-5(d) for further guidance on tiered extraordinary disposition amounts.

Line 1d

Enter the U.S. shareholder's subpart F income inclusion attributable to tiered extraordinary reduction amounts resulting from extraordinary reductions. See Regulations section 1.245A-5(f) for further guidance on tiered extraordinary reduction amounts.

Lines 1e Through 1h

Enter on lines 1e through 1h the amounts from Worksheet A, lines 53, 57, 61, and 67, respectively. However, corporate U.S. shareholders should report on line 1e the amount from Worksheet A, line 53, less the amount, if any, reported on line 1a.

Use [Worksheet A](#) to compute the U.S. shareholder's pro rata share of subpart F income of the CFC, which is reportable on lines 1e through 1h. Do not include any income includible on Form 5471, Schedule I, lines 1a through 1d, or any income includible under section 951A (Schedule I-1 is used to provide information relating to section 951A). Subpart F income reportable on lines 1e through 1h includes the following.

- Adjusted net foreign base company income ([Worksheet A](#), lines 13, 14, 15, and 18).
- Adjusted net insurance income ([Worksheet A](#), line 16).
- Adjusted net related person insurance income ([Worksheet A](#), line 17).
- International boycott income ([Worksheet A](#), line 19).
- Illegal bribes, kickbacks, and other payments ([Worksheet A](#), line 20).
- Income described in section 952(a)(5) ([Worksheet A](#), line 21).

Important. If the subpart F income of a CFC for any tax year was reduced because of the current E&P limitation, any excess of the E&P of the CFC for any subsequent tax year over the subpart F income of the CFC for the tax year must be recharacterized as subpart F income. As a result, if the foreign corporation has E&P for the tax period covered by this return that is subject to recapture as a result of a prior-year E&P limitation, add the U.S. shareholder's pro rata share of such recapture amount to the result from Worksheet A, line 67, and include the combined amount on line 1h (Other subpart F income). See [Line 37. Current E&P limitation](#), later, for a discussion of the current year E&P limitation. See also Regulations

section 1.952-1(f) for further guidance on recharacterization of E&P as subpart F income.

Line 2

Report on line 2 the section 956 amount with respect to the U.S. shareholder. See Worksheet B, line 19.

Line 3

Reserved for future use.

Line 4

Enter the U.S. shareholder's pro rata share of the factoring income (as defined in section 864(d)(1)) if no subpart F income is reported on line 1a of Worksheet A, because of the operation of the de minimis rule (see lines 1a and 10 of Worksheet A and the related instructions under [Line 1a](#) and [Line 10. De minimis rule](#), later).

Reporting Amounts on Lines 1 Through 4 on Your Income Tax Return

For a corporate shareholder, enter the result from line 1a on Form 1120, Schedule C, line 16a; enter the result from line 1b on Form 1120, Schedule C, line 16b; and enter the remaining lines 1c through 1h, 2, and 4 on Form 1120, Schedule C, line 16c; or on the comparable line of other corporate tax returns. For a noncorporate U.S. shareholder, enter the results on Schedule 1 (Form 1040), line 8n (other income - section 951(a) inclusion), or on the comparable line of other noncorporate tax returns.

Line 5a

Enter the amount of dividends received by the shareholder from the foreign corporation that is eligible for a deduction under section 245A. This amount does not include the amount of dividends that are not eligible for a deduction under section 245A and are instead entered on lines 5b, 5c, and 5d. See section 245A for guidance on computing the amount of a dividend eligible for a deduction.

Note. The corporate U.S. shareholder should include the line 5a amount on Form 1120, Schedule C, line 13, column (a), or the comparable line of other corporate income tax returns. In doing so, the corporate U.S. shareholder must determine whether it meets the statutory and regulatory requirements for the section 245A dividends received deduction.

Line 5b

Enter the amount of the dividends received by the shareholder from the foreign corporation that is an extraordinary disposition amount. See Regulations section 1.245A-5(c) for rules for calculating an extraordinary disposition amount.

Note. The corporate U.S. shareholder should include the line 5b amount on Form 1120, Schedule C, line 14, column (a), or the comparable line of other corporate income tax returns.

Line 5c

Enter the amount of the dividends received by the shareholder from the foreign corporation that is an extraordinary reduction amount. See Regulations section 1.245A-5(e) for rules for calculating an extraordinary reduction amount.

Note. The corporate U.S. shareholder should include the line 5c amount on Form 1120, Schedule C, line 14, column (a), or the comparable line of other corporate income tax returns.

Line 5d

Enter the amount of hybrid dividends received by the U.S. shareholder from the foreign corporation. In general, in the case of a domestic corporation that is a U.S. shareholder with respect to a CFC, a dividend received by the domestic corporation from the CFC is a hybrid dividend to the extent of the sum of the U.S. shareholder's hybrid deduction accounts with respect to shares of stock of the CFC. See section 245A(e) and Regulations section 1.245A(e)-1(b) for additional information about hybrid dividends.

Note. The corporate U.S. shareholder should include the line 5d amount on Form 1120, Schedule C, line 14, column (a), or the comparable line of other corporate income tax returns.

Line 5e

Enter on line 5e dividends not reported on line 5a, 5b, 5c, or 5d.

Note. The corporate U.S. shareholder should include the line 5e amount on Form 1120, Schedule C, line 14, column (a), or the comparable line of other corporate income tax returns.

Line 6

If previously taxed E&P (PTEP) were distributed, enter the amount of foreign currency gain or (loss) recognized on the distribution, computed under section 986(c). See Notice 88-71, 1988-2 C.B. 374, for rules for computing section 986(c) gain or (loss), and Regulations section 1.986(c)-1(a) and (b) for rules for computing section 986(c) gain or (loss) recognized with respect to distributions of PTEP within the reclassified section 965(a) PTEP group and the section 965(a) PTEP group. Do not include any foreign currency gain or loss with respect to PTEP within the reclassified section 965(b) PTEP group or the section 965(b) PTEP group. See Regulations section 1.986(c)-1(c).

For a corporate U.S. shareholder, include the gain or (loss) as "Other income" on Form 1120, line 10, or on the comparable line of other corporate tax returns. For a noncorporate U.S. shareholder, include the result as "other income" on Schedule 1 (Form 1040), line 8z (other income), or on the comparable line of other noncorporate tax returns.

Line 8a

Check the "Yes" box on line 8a if the U.S. shareholder completing this form had an extraordinary disposition

account with respect to the foreign corporation having a balance greater than zero at any time during the tax year of the foreign corporation. See Regulations section 1.245A-5(c) for rules regarding an extraordinary disposition account.

Line 8b

If "Yes" is checked on line 8a, enter on line 8b the U.S. shareholder's extraordinary disposition account balance at the beginning and end of the foreign corporation's tax year. Attach a statement detailing any differences between the starting and ending balance of the extraordinary disposition account reported on line 8b.

Line 8c

Enter on line 8c the CFC's total extraordinary disposition account balance with respect to all U.S. shareholders of the CFC at the beginning of the CFC year and at the end of the CFC tax year. Attach a statement detailing any differences between the starting and ending balances reported on line 8c.

Line 9

If the foreign corporation is a CFC and the filer is a domestic corporation, enter on line 9 the sum of the hybrid deduction accounts with respect to each share of stock of the CFC that the domestic corporation owns directly or indirectly (within the meaning of section 958(a)(2), and determined by treating a domestic partnership as foreign). The reported amount should reflect the balance of the hybrid deduction accounts as of the close of the tax year of the CFC, and after all adjustments to the hybrid deduction accounts for the tax year (for example, to reflect hybrid deductions of the CFC, or hybrid dividends paid by the CFC). For example, if the CFC is an upper-tier CFC all the stock of which is owned by the filer, then line 9 must reflect the sum of the filer's hybrid deduction accounts with respect to shares of stock of the upper-tier CFC; if instead the CFC is a lower-tier CFC all the stock of which is owned by the filer through an upper-tier CFC, then line 9 must reflect the sum of the upper-tier CFC's hybrid deduction accounts with respect to shares of stock of the lower-tier CFC.

A hybrid deduction account with respect to a share of stock of a CFC reflects the amount of hybrid deductions of the CFC that has been allocated to the share. In general, a hybrid deduction is a deduction or other tax benefit allowed to the CFC (or a related person) under a foreign tax law for an amount paid, accrued, or distributed with respect to an instrument of the CFC that is stock for U.S. tax purposes. A hybrid deduction includes a deduction allowed to the CFC under a foreign tax law with respect to equity (such as a notional interest deduction). See Regulations section 1.245A(e)-1(d) for additional information about hybrid deduction accounts.

A domestic corporation that is a U.S. shareholder with respect to a CFC must maintain a hybrid deduction account with respect to each share of stock of the CFC that the domestic corporation owns directly or indirectly through a partnership, trust, or estate. In addition, certain upper-tier CFCs must maintain a hybrid deduction account with respect to each share of the stock of a lower-tier CFC that the upper-tier CFC owns directly or

indirectly through a partnership, trust, or estate. See Regulations section 1.245A(e)-1(d) for more on maintenance of hybrid deduction accounts.

Summary of U.S. Shareholders Pro Rata Share of Subpart F Income of a CFC (See the Worksheet A Instructions, later.) Enter the amounts on lines 1a through 51, 55, 59, and 67 in functional currency.			
1	Gross foreign personal holding company income (determined after the application of section 952(b):		
a	Dividends, interest, royalties, rents, and annuities (section 954(c)(1)(A) (excluding amounts described in sections 954(c)(2), (3), and (6))	1a	
b	Income equivalent to interest (section 954(c)(1)(E))	1b	
c	Net income from a notional principal contract (section 954(c)(1)(F))	1c	
d	Excess of foreign currency gains over foreign currency losses (section 954(c)(1)(D))	1d	
e	Excess of gains over losses from commodity transactions (section 954(c)(1)(C))	1e	
f	Excess of gains over losses from certain property transactions (section 954(c)(1)(B))	1f	
g	Payments in lieu of dividends (section 954(c)(1)(G))	1g	
h	Certain amounts received for services under personal service contracts (see section 954(c)(1)(H))	1h	
i	Certain amounts from sales of partnership interests to which the look-through rule of section 954(c)(4) applies	1i	
2	Gross foreign personal holding company income. Add lines 1a through 1i		2
3	Gross foreign base company sales income (determined after the application of section 952(b)) (see section 954(d))		3
4	Gross foreign base company services income (determined after the application of section 952(b)) (see section 954(e))		4
5	Gross foreign base company income. Add lines 2 through 4		5
6	Gross insurance income (determined after the application of section 952(b)) (see sections 953 and 954 (b)(3)(C) and the instructions for lines 16 and 17)		6
7	Gross foreign base company income and gross insurance income. Add lines 5 and 6		7
8	Enter 5% of total gross income (as computed for income tax purposes)		8
9	Enter 70% of total gross income (as computed for income tax purposes)		9
10	If line 7 is less than line 8 and less than \$1 million, enter -0- on this line and skip lines 11 through 18		10
11	If line 7 is more than line 9, enter total gross income (as computed for income tax purposes)		11
12	Total adjusted gross foreign base company income and insurance income (enter the greater of line 7 or line 11). See instructions		12
13	Adjusted net foreign personal holding company income:		
a	Enter amount from line 2	13a	
b	Expenses definitely related to amount on line 2	13b	
c	Subtract line 13b from line 13a	13c	
d	Related person interest expense (see section 954(b)(5))	13d	
e	Other expenses allocated and apportioned to the amount on line 2 under section 954(b)(5)	13e	
f	Net foreign personal holding company income. Subtract the sum of lines 13d and 13e from line 13c	13f	
g	Amount of line 13f excluded pursuant to section 952(c)	13g	
h	Subtract line 13g from line 13f	13h	
i	Amount of line 13h excluded pursuant to the high tax exception of section 954(b)(4)	13i	
j	Adjusted net foreign personal holding company income. Subtract line 13i from line 13h		13j
14	Adjusted net foreign base company sales income:		
a	Enter amount from line 3	14a	
b	Expenses allocated and apportioned to the amount on line 3 under section 954(b)(5)	14b	
c	Net foreign base company sales income. Subtract line 14b from line 14a	14c	
d	Amount of line 14c excluded pursuant to section 952(c)	14d	
e	Subtract line 14d from line 14c	14e	
f	Amount of line 14e excluded pursuant to the high tax exception of section 954(b)(4)	14f	
g	Adjusted net foreign base company sales income. Subtract line 14f from line 14e		14g
15	Adjusted net foreign base company services income:		
a	Enter amount from line 4	15a	
b	Expenses allocated and apportioned to the amount on line 4 under section 954(b)(5)	15b	
c	Net foreign base company services income. Subtract line 15b from line 15a	15c	
d	Amount of line 15c excluded pursuant to section 952(c)	15d	
e	Subtract line 15d from line 15c	15e	
f	Amount of line 15e excluded pursuant to the high tax exception of section 954(b)(4)	15f	
g	Adjusted net foreign base company services income. Subtract line 15f from line 15e		15g
16	Adjusted net insurance income (other than related person insurance income):		
a	Enter amount from line 6 (other than related person insurance income)	16a	
b	Expenses allocated and apportioned to the amount on line 16a under section 953	16b	

Worksheet A

Worksheet A (continued) (See instructions.)

c	Net insurance income. Subtract line 16b from line 16a	16c		
d	Amount of line 16c excluded pursuant to section 952(c)	16d		
e	Subtract line 16d from line 16c	16e		
f	Amount of line 16e excluded pursuant to the high tax exception of section 954(b)(4)	16f		
g	Adjusted net insurance income. Subtract line 16f from line 16e	16g		
17	Adjusted net related person insurance income:			
a	Enter amount from line 6 that is related person insurance income	17a		
b	Expenses allocated and apportioned to the amount on line 17a under section 953	17b		
c	Net related person insurance income. Subtract line 17b from line 17a	17c		
d	Amount of line 17c excluded pursuant to section 952(c)	17d		
e	Subtract line 17d from line 17c	17e		
f	Amount of line 17e excluded pursuant to the high tax exception of section 954(b)(4)	17f		
g	Adjusted net related person insurance income. Subtract line 17f from line 17e			17g
18	Adjusted net full inclusion foreign base company income:			
a	Enter the excess, if any, of line 12 over line 7	18a		
b	Enter amount from line 7	18b		
c	Multiply line 18b by 90% (0.9)	18c		
d	Amount of lines 13a, 14a, 15a, 16a, and 17a attributable to items excluded pursuant to the high tax exception of section 954(b)(4)	18d		
e	If line 18d is more than line 18c, enter zero here and skip the remainder of line 18. If line 18d is less than or equal to line 18c, enter the amount on line 18a	18e		
f	Expenses allocated and apportioned to the amount on line 18e under section 954(b)(5)	18f		
g	Net full inclusion foreign base company income. Subtract line 18f from line 18e	18g		
h	Amount of line 18g excluded pursuant to section 952(c)	18h		
i	Subtract line 18h from line 18g	18i		
j	Amount of line 18i excluded pursuant to the high tax exception of section 954(b)(4)	18j		
k	Adjusted net full inclusion foreign base company income. Subtract line 18j from line 18i			18k
19	International boycott income (section 952(a)(3))			19
20	Illegal bribes, kickbacks, and other payments (section 952(a)(4))			20
21	Income described in section 952(a)(5) (see instructions)			21
22	Subpart F income before application of section 959(b) and section 961(c). Add lines 13j, 14g, 15g, 16g, 17g, 18k, and 19 through 21			22
23	Exclusions under section 959(b) and section 961(c) basis that apply to line 13j amount	23		
24	Section 954(c) subpart F Foreign Personal Holding Company Income. Subtract line 23 from line 13j			24
25	Exclusions under section 959(b) that apply to line 14g amount	25	-0-	
26	Section 954(d) subpart F Foreign Base Company Sales Income. Subtract line 25 from line 14g			26
27	Exclusions under section 959(b) that apply to line 15g amount	27	-0-	
28	Section 954(e) subpart F Foreign Base Company Services Income. Subtract line 27 from line 15g			28
29	Exclusions under section 959(b) that apply to lines 16g, 17g, 18k, 19, 20, and 21 amounts	29		
30	Other subpart F income. Subtract line 29 from the sum of lines 16g, 17g, 18k, 19, 20, and 21			30
31	Total subpart F income. Add lines 24, 26, 28, and 30			31
32	Shareholder's pro rata share of line 24	32		
33	Shareholder's pro rata share of export trade income that applies to line 32 amount (see section 970(a))	33		
34	Section 954(c) subpart F Foreign Personal Holding Company Income subtotal. Subtract line 33 from line 32			34
35	Shareholder's pro rata share of line 26	35		
36	Shareholder's pro rata share of export trade income that applies to line 35 amount (see section 970(a))	36		
37	Section 954(d) subpart F Foreign Base Company Sales Income subtotal. Subtract line 36 from line 35			37
38	Shareholder's pro rata share of line 28	38		
39	Shareholder's pro rata share of export trade income that applies to line 38 amount (see section 970(a))	39		
40	Section 954(e) subpart F Foreign Base Company Services Income subtotal. Subtract line 39 from line 38			40
41	Shareholder's pro rata share of line 30	41		
42	Shareholder's pro rata share of export trade income that applies to line 41 amount (see section 970(a))	42		
43	Other subpart F income subtotal. Subtract line 42 from line 41			43

Worksheet A

Worksheet A (continued) (See instructions.)

44	Add lines 34, 37, 40, and 43		44
45	Divide the number of days in the tax year that the corporation was a CFC by the number of days in the tax year and multiply the result by line 44	45	
46	The amount of dividends received by any other person with respect to your stock multiplied by a fraction, the numerator of which is the CFC's subpart F income for the tax year and the denominator of which is the sum of the CFC's subpart F income and tested income (section 951A(c)(2)(A) and Regulations section 1.951A-2(b)(1)) for the tax year	46	
47	Divide the number of days in the tax year you did not own such stock by the number of days in the tax year and multiply the result by line 44	47	
48	Enter the smaller of line 46 or line 47	48	
49	Shareholder's pro rata share of subpart F income. Subtract line 48 from line 45	49	
50	Amount of line 49 that applies to section 954(c) subpart F Foreign Personal Holding Company Income	50	
51	Translate the amount on line 50 from functional currency to U.S. dollars at the average exchange rate. See section 989(b)	51	
52	Shareholder's pro rata share of line 51 attributable to a qualified activity under section 952(c)(1)(B)	52	
53	Subtract line 52 from line 51. Enter the result here and on Form 5471, Schedule I, line 1e	53	
54	Amount of line 49 that applies to section 954(d) subpart F Foreign Base Company Sales Income	54	
55	Translate the amount on line 54 from functional currency to U.S. dollars at the average exchange rate. See section 989(b)	55	
56	Shareholder's pro rata share of line 55 attributable to a qualified activity under section 952(c)(1)(B)	56	
57	Subtract line 56 from line 55. Enter the result here and on Form 5471, Schedule I, line 1f	57	
58	Amount of line 49 that applies to section 954(e) subpart F Foreign Base Company Services Income	58	
59	Translate the amount on line 58 from functional currency to U.S. dollars at the average exchange rate. See section 989(b)	59	
60	Shareholder's pro rata share of line 59 attributable to a qualified activity under section 952(c)(1)(B)	60	
61	Subtract line 60 from line 59. Enter the result here and on Form 5471, Schedule I, line 1g	61	
62	Amount of line 49 that applies to subpart F insurance income	62	
63	Translate the amount on line 62 from functional currency to U.S. dollars at the average exchange rate. See section 989(b)	63	
64	Shareholder's pro rata share of line 63 attributable to a qualified activity under section 952(c)(1)(B)	64	
65	Subtract line 64 from line 63. Add the result to the amount on line 67	65	
66	Amount of line 49 that applies to other subpart F income	66	
67	Translate the amount on line 66 from functional currency to U.S. dollars at the average exchange rate. See section 989(b). Add any amount on line 65 to this translated amount and enter the result here and on Form 5471, Schedule I, line 1h	67	

Worksheet A Instructions

Foreign base company income. Foreign base company income generally does not include the following.

- Foreign base company shipping or oil related income as defined in former section 954(f) and (g), respectively.
- Foreign personal holding company income derived in the active conduct of a banking, finance, or similar business (section 954(h)).
- Exempt insurance income under section 953(e) and certain investment income of a qualifying insurance company or a qualifying insurance branch (sections 953(a)(2) and 954(i)).
- Certain income derived in the ordinary course of business of a securities dealer (section 954(c)(2)(C)(i)).

Note. Lines 1 through 4, relating to gross foreign personal holding company income, gross foreign base company sales income, and gross foreign base company services income, must be completed after the application of section 952(b). See Regulations section 1.954-1(a)(2).

Line 1. Gross foreign personal holding company income.

Note. If income is foreign personal holding company income, it is not considered income in any other category of foreign base company income, except as provided in Regulations section 1.954-1(e)(4)(i)(A) through (C).

Line 1a. Dividends, interest, royalties, rents, and annuities. Do not include:

- Interest from conducting a banking business that is “export financing interest” (section 904(d)(2)(G));
- Rents and royalties from actively conducting a trade or business received from a person other than a “related person” (as defined in section 954(d)(3)); and
- Dividends, interest, rent, or royalty income from related corporate payors described in section 954(c)(3) or (6). However, see section 964(e) for an exception to section 954(c)(3), and see section 964(e)(4) and Regulations section 1.245A-5 for an exception to, and limitation on, section 954(c)(6), respectively.

Interest income includes factoring income arising when a person acquires a trade or service receivable (directly or indirectly) from a related person. The income is treated as interest on a loan to the obligor under section 864(d)(1) and is generally not eligible for the de minimis, export financing, and related party exceptions to the inclusion of subpart F income. Also, a trade or service receivable acquired or treated as acquired by a CFC from a related U.S. person is considered an investment in U.S. property for purposes of section 956 (Worksheet B) if the obligor is a U.S. person.

Note. Section 111 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the look-through rule of section 954(c)(6). The rule now applies to tax years of foreign corporations beginning after December 31, 2005, and before January 1, 2026, and to tax years of U.S. shareholders with or within which such tax years of the foreign corporations end. Continue to exclude the applicable types of income specified in section 954(c)(6) from Worksheet A, line 1a, for the period specified in the previous sentence.

Line 1b. Income equivalent to interest. Enter any income equivalent to interest, including income from commitment fees (or similar amounts) for loans actually made.

Line 1c. Net income from a notional principal contract. Include net income from notional principal contracts (except a contract entered into to hedge inventory property).

Line 1d. Excess of foreign currency gains over foreign currency losses. Enter the excess of foreign currency gains over foreign currency losses from section 988 transactions. An exception applies to transactions directly related to the business needs of a CFC.

Line 1e. Excess of gains over losses from commodity transactions. Enter the excess of gains over losses from transactions (including futures, forward, and similar transactions) in any commodities. See section 954(c)(1)(C) for exceptions. See section 954(c)(5) for a definition and special rules relating to commodity transactions.

Line 1f. Excess of gains over losses from certain property transactions. Enter the excess of gains over losses from the sale or exchange of:

- Property that produces the type of income reportable on line 1a;
- An interest in a trust, partnership, or REMIC; however, see line 1i, later, for an exception that provides for look-through treatment for certain sales of partnership interests; or
- Property that does not produce any income.

Do not include the following:

- Income, gain, deduction, or loss from any transaction (including a hedging transaction) and transactions involving physical settlement of a regular dealer in property, forward contracts, option contracts, and similar financial instruments (section 954(c)(2)(C)).
- Gains and losses from the sale or exchange of any property that, in the hands of the CFC, is property described in section 1221(a)(1).

Line 1g. Payments in lieu of dividends. Include payments in lieu of dividends that are made as required under section 1058.

Line 1h. Certain amounts received for services under personal service contracts. Enter amounts received:

- Under a contract under which the corporation is to furnish personal services if (a) some person other than the corporation has a right to designate (by name or by description) the individual who is to perform the services, or (b) the individual who is to perform the services is designated (by name or by description) in the contract; and
- From the sale or other disposition of such a contract.

Note. The above rules apply with respect to amounts received for services under a particular contract only if at some time during the tax year 25% or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services.

Line 1i. Certain amounts from sales of partnership interests to which the look-through rule of section 954(c)(4) applies. In the case of any sale by a CFC of an interest in a partnership with respect to which the CFC is a 25% owner (defined below), such CFC is treated for purposes of computing its foreign personal holding company income as selling the proportionate share of the assets of the partnership attributable to such interest. Thus, the sale of a partnership interest by a CFC that meets the ownership threshold constitutes subpart F income only to the extent that a proportionate sale of the underlying partnership assets attributable to the partnership interest would constitute subpart F income. Do not report these amounts on line 1b. Instead, report them on line 1i.

25% owner. For purposes of these rules, a 25% shareholder is a CFC that owns directly 25% or more of the capital or profits interest in a partnership. For purposes of the preceding sentence, if a CFC is a shareholder or partner of a corporation or partnership, the CFC is treated as owning directly its proportionate share of any such capital or profits interest held directly or indirectly by such corporation or partnership. If a CFC is treated as owning a capital or profits interest in a partnership under constructive ownership rules similar to the rules of section 958(b), the CFC is treated as owning such interest directly or indirectly for purposes of this definition.

Line 6. Gross insurance income. Enter the CFC's gross insurance income taken into account in determining insurance income under section 953, determined after the application of section 952(b). See Regulations section 1.954-1(a)(6).

Note. If income is insurance income, it is not considered income in any category of foreign base company income except as provided in Regulations section 1.954-1(e)(4)(i) (A) or (B).

Line 10. De minimis rule. If the sum of foreign base company income (determined without regard to section 954(b)(5)) and gross insurance income (as defined in section 954(b)(3)(C)) for the tax year is **less than** the lesser of 5% of gross income for income tax purposes, or \$1 million, then no portion of the gross income for the tax year is treated as foreign base company income or insurance income. In this case, enter zero on line 10 and skip lines 11 through 19. Otherwise, go to line 11.

Line 11. Full inclusion rule. If the sum of gross foreign base company income (determined without regard to section 954(b)(5)) and gross insurance income for the tax year exceeds 70% of gross income for income tax purposes, the entire gross income for the tax year must (subject to the adjustments described below) be treated as foreign base company income or insurance income, whichever is appropriate. In this case, enter total gross income (for income tax purposes) on line 11. Otherwise, enter zero.

Line 12. Total adjusted gross foreign base company income and insurance income. Enter the greater of line 7 or line 11. However, if line 11 is greater than line 7, reduce the line 11 amount by any portion of such amount

described in section 952(b), and enter the result on line 12.

Line 13. Adjusted net foreign personal holding company income. Adjusted net foreign personal holding company income is calculated by first determining the gross amount of each item of foreign personal holding company income and then allocating and apportioning expenses to such items of income on lines 13b through e. See section 954(b)(5) and Regulations section 1.954-1(c)(1)(i). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross foreign personal holding company income, resulting in net foreign personal holding company income, such amount must be reduced for amounts excluded pursuant to section 952(c) on line 13g. See Regulations section 1.954-1(a)(5) and (d)(4)(ii). Finally, to determine adjusted net foreign personal holding company income, any remaining amount of net foreign personal holding company income after applying section 952(c) must be reduced for amounts excluded under the high tax exception of section 954(b)(4) on line 13i. See Regulations section 1.954-1(a)(5) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Note. For the definition of "item of income," see Regulations section 1.954-1(c)(1)(iii).

Line 14. Adjusted net foreign base company sales income. Adjusted net foreign base company sales income is calculated by first determining the gross amount of each item of foreign base company sales income and then allocating and apportioning expenses to such items of income on line 14b. For more information, see section 954(b)(5) and Regulations section 1.954-1(c)(1)(i). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross foreign base company sales income, resulting in net foreign base company sales income, such amount must be reduced for amounts excluded pursuant to section 952(c) on line 14d. See Regulations section 1.954-1(a)(5) and (d)(4)(ii). Finally, to determine adjusted net foreign base company sales income, any remaining amount of net foreign base company sales income after applying section 952(c) must be reduced for amounts excluded under the

high tax exception of section 954(b)(4) on line 14f. See Regulations section 1.954-1(a)(5) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Line 15. Adjusted net foreign base company services income. Adjusted net foreign base company services income is calculated by first determining the gross amount of each item of foreign base company services income and then allocating and apportioning expenses to such items of income on line 15b. For more information, see section 954(b)(5) and Regulations section 1.954-1(c)(1)(i). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross foreign base company services income, resulting in net foreign base company services income, such amount must be reduced for amounts excluded pursuant to section 952(c) on line 15d. See Regulations section 1.954-1(a)(5) and (d)(4)(ii). Finally, to determine adjusted net foreign base company services income, any remaining amount of net foreign base company services income after applying section 952(c) must be reduced for amounts excluded under the high tax exception of section 954(b)(4) on line 15f. See Regulations section 1.954-1(a)(5) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Note. In determining the amount of a net item of foreign base company income, deductions or loss attributable to disqualified basis and deductions attributable to disqualified payments (Regulations section 1.951A-2(c)(5) or (6)) are not allocated and apportioned to gross foreign base company income.

Line 16. Adjusted net insurance income (other than related person insurance income). In general, insurance income is any income attributable to the issuing (or reinsuring) of any insurance or annuity contract that would (subject to the modifications provided in section 953(b)) be taxed under subchapter L (insurance company tax) if such income were income of a domestic insurance company. However, insurance income does not include exempt insurance income (as defined in section 953(e)).

Adjusted net insurance income is calculated by adjusting the amount of gross insurance income by the amount of the CFC's gross related person insurance income (defined below) on line 16a. Then, each item of gross insurance income (other than related person insurance income) is reduced by allocating and

apportioning expenses to such items of income on line 16b. For more information, see section 953 and Regulations section 1.954-1(a)(6). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross insurance income (other than related person insurance income), resulting in net insurance income (other than net related person insurance income), such amount must be reduced for amounts excluded pursuant to section 952(c) on line 16d. See Regulations section 1.954-1(a)(6) and (d)(4)(ii). Finally, to determine adjusted net insurance income (other than related person insurance income), any remaining amount of net insurance income (other than related person insurance income) after applying section 952(c) must be reduced for amounts excluded under the high tax exception of section 954(b)(4) on line 16f. See Regulations section 1.954-1(a)(6) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Line 17. Adjusted net related person insurance income. In general, related person insurance income is any insurance income (within the meaning of section 953(a)) attributable to a policy of insurance or reinsurance for which the person insured (directly or indirectly) is a U.S. shareholder (as defined in section 953(c)(1)(A)) in a CFC (as defined in section 953(c)(1)(B)), or a related person (as defined in section 953(c)(6)) to such a shareholder. If a CFC has related person insurance income, the U.S. shareholder's pro rata share is to be determined under the rules of section 953(c)(5).

Exceptions. The above definition does not apply to any foreign corporation if:

- At all times during the foreign corporation's tax year, less than 20% of the total combined voting power of all classes of stock of the corporation entitled to vote, and less than 20% of the total value of the corporation, is owned (directly or indirectly under the principles of section 883(c)(4)) by persons who are (directly or indirectly) insured under any policy of insurance or reinsurance issued by the corporation or who are related persons to any such person;
- The related person insurance income (determined on a gross basis) of the corporation for the tax year is less than 20% of its insurance income for the tax year; or
- The corporation:

1. Elects to treat its related person insurance income for the tax year as income effectively connected with the conduct of a trade or business in the United States,

2. Elects to waive all treaty benefits (other than from section 884) for related person insurance income, and

3. Meets any requirement the IRS may prescribe to ensure that any tax on such income is paid.

This election will not be effective if the corporation was a disqualified corporation (as defined in section 953(c)(3)(E)) for the tax year for which the election was made or for any prior tax year beginning after 1986. See section 953(c)(3)(D) for special rules for this election.

Mutual life insurance companies. The related person insurance income rules also apply to mutual life insurance companies under regulations prescribed by the Secretary. For these purposes, policyholders must be treated as shareholders.

Adjusted net related person insurance income is calculated by first determining the gross amount of each item of related person insurance income and then allocating and apportioning expenses to such items of income on line 17b. For more information, see section 953 and Regulations section 1.954-1(a)(6). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross related person insurance income, resulting in net related person insurance income, such amount must be reduced for amounts excluded pursuant to section 952(c) on line 17d. See Regulations section 1.954-1(a)(6) and (d)(4)(ii). Finally, to determine adjusted net related person insurance income, any remaining amount of net related person insurance income after applying section 952(c) must be reduced for amounts excluded under the high tax exception of section 954(b)(4) on line 17f. See Regulations section 1.954-1(a)(6) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Note. In determining the amount of a net item of insurance or related person insurance income, deductions or loss attributable to disqualified basis and deductions attributable to disqualified payments (Regulations section 1.951A-2(c)(5) or (6)) are not allocated and apportioned to gross insurance income.

Line 18. Adjusted net full inclusion foreign base company income. Under Regulations section 1.954-1(d)(6), gross full inclusion base company income is excluded from a CFC's subpart F income if more than 90% of the adjusted gross foreign base company income and adjusted gross insurance income of a CFC (determined without regard to Regulations section 1.954-1(b)(1)) is attributable to net amounts excluded from subpart F income pursuant to an election to have the high tax exception described in section 954(b)(4) and Regulations section 1.954-1(d) apply. Accordingly, this computation is performed on lines 18b through 18e.

If gross full inclusion foreign base company income is not excluded from subpart F as a result of the computations on lines 18b through 18e, adjusted net full

inclusion base company income is calculated by allocating and apportioning expenses to the excess of the CFC's gross income and its gross foreign base company income and gross insurance income on line 18f. For more information, see section 954(b)(5) and Regulations section 1.954-1(c)(1)(i). Expenses allocated and apportioned to an item of income may reduce the item of income below zero, and any item of income that is less than zero generally cannot offset other items of income. For more information, see Regulations section 1.954-1(c)(1)(ii). Do not enter expenses on these lines of Worksheet A to the extent that their allocation and apportionment reduces an item of income below zero.

Once expenses are allocated and apportioned to gross full inclusion base company income, resulting in net full inclusion base company income, such amount must be reduced for amounts excluded pursuant to section 952(c) on line 18h. See Regulations section 1.954-1(a)(5) and (d)(4)(ii). Finally, to determine adjusted net full inclusion base company income, any remaining amount of net full inclusion base company income after applying section 952(c) must be reduced for amounts excluded under the high tax exception of section 954(b)(4) on line 18j. See Regulations section 1.954-1(a)(5) and (d)(4)(ii) and (iii).

Note. If the CFC's subpart F income exceeds the foreign corporation's earnings and profits for the taxable year, the subpart F income includible in the income of the CFC's United States shareholders must be reduced in the manner prescribed in Regulations section 1.952-1(e).

Line 19. International boycott income. If a CFC or a member of a controlled group (within the meaning of section 993(a)(3)) that includes the CFC has operations in, or related to, a country (or with the government, a company, or a national of a country) that requires participation in or cooperation with an international boycott as a condition of doing business within such country or with the government, company, or national of that country, a portion of the CFC's income is included in subpart F income. The amount included is determined by multiplying the CFC's income (other than income included under section 951 and U.S. source effectively connected business income described in section 952(b)) by the international boycott factor. This factor is a fraction determined on Schedule A (Form 5713).

Special rule. If the shareholder of a CFC can clearly demonstrate that the income earned for the tax year is from specific operations, then, instead of applying the international boycott factor, the addition to subpart F income is the amount specifically from the operations in which there was participation in or cooperation with an international boycott. See Schedule B (Form 5713).

Line 20. Illegal bribes, kickbacks, and other payments. Enter the total of any illegal bribes, kickbacks, or other payments (within the meaning of section 162(c)) paid by or on behalf of the corporation, directly or indirectly, to an official, employee, or agent of a government.

Line 21. Income described in section 952(a)(5). The income of a CFC derived from any foreign country during any period during which section 901(j) applies to such foreign country will be deemed to be income to the U.S.

shareholders of such CFC. As of the date these instructions were revised, section 901(j) applied to Iran, North Korea, Sudan, and Syria.

Worksheet B

U.S. Shareholder's Pro Rata Share of Earnings of a CFC Invested in U.S. Property			
Enter the amounts on lines 1 through 18 in functional currency.			
1	Amount of U.S. property (as defined in section 956(c) and (d)) held (directly or indirectly) by the CFC as of the close of:		
a	The first quarter of the tax year	1a	
b	The second quarter of the tax year	1b	
c	The third quarter of the tax year	1c	
d	The fourth quarter of the tax year	1d	
2	Number of quarter-ends the foreign corporation was a CFC during the tax year		2
3	Average amount of U.S. property held (directly or indirectly) by the CFC as of the close of each quarter of the tax year. (Add lines 1a through 1d. Divide this amount by the number on line 2.)		3
4	U.S. shareholder's pro rata share of the amount on line 3		4
5	Earnings and profits described in section 959(c)(1)(A) with respect to the U.S. shareholder after reductions (if any) for current year distributions		5
6	Section 956(a)(1) amount. Subtract line 5 from line 4		6
7	Applicable earnings:		
a	Current year earnings and profits	7a	
b	Line 7a plus accumulated earnings and profits	7b	
8	Enter the greater of line 7a or line 7b		8
9	Distributions made by the CFC during the tax year		9
10	Subtract line 9 from line 8		10
11	Earnings and profits described in section 959(c)(1) after reductions (if any) for current year distributions		11
12	Applicable earnings. Subtract line 11 from line 10		12
13	Section 956(a)(2) amount. U.S. shareholder's pro rata share of the amount on line 12		13
14	Section 956(a) amount. Enter the smaller of line 6 or line 13		14
15	Amount of E&P described in section 959(a)(2) with respect to the U.S. shareholder		15
16	Tentative section 956 amount. Subtract line 15 from line 14		16
17	Amount of deduction under section 245A, if any, that the shareholder would be allowed if the shareholder received a hypothetical distribution within the meaning of Regulations section 1.956-1(a)(2). If the shareholder is not a U.S. corporation, this amount is zero		17
18	Section 956 amount. Subtract line 17 from line 16		18
19	Translate the amount on line 18 from functional currency to U.S. dollars at the year-end spot rate (as provided in section 989(b)). Enter the result here and on line 2 of Schedule I		19

Worksheet B Instructions

Use Worksheet B to determine a U.S. shareholder's pro rata share of earnings of a CFC invested in U.S. property that is subject to tax. Only earnings of a CFC not distributed or otherwise previously taxed are subject to these rules. Thus, the amount of previously **untaxed** earnings limits the section 956 inclusion. A CFC's investment in U.S. property in excess of this limit will not be included in the taxable income of the CFC's U.S. shareholders. PTEP related to prior-year section 956 inclusions (see section 959(c)(1)(A)) and current-year or prior-year subpart F inclusions (see section 959(c)(2)) reduce what would otherwise be the current year section 956 inclusion.

Note. PTEP resulting from subpart F inclusions (that is, section 959(c)(2) PTEP) that reduced prior-year section 956 or 956A inclusions (see section 959(a) and (c)(1), and Schedule J) should be reclassified as section 959(c)(1) PTEP.

Distributions are also taken into account before the section 956 inclusion is determined. Distributions are generally treated as coming first from (and thus reducing the balances of) the PTEP accounts. Thus, the U.S. shareholders must:

1. Compute the current year subpart F income inclusion (potentially increasing the section 959(c)(2) PTEP within the PTEP accounts),
2. Take into account current distributions (potentially reducing the PTEP accounts and untaxed earnings and profits), and
3. Compute the current section 956 inclusion (increasing section 959(c)(1) PTEP and potentially decreasing section 959(c)(2) PTEP in the PTEP accounts).

U.S. property is measured on a quarterly average basis. For purposes of Worksheet B, the amount taken into account with respect to U.S. property is generally its adjusted basis for E&P purposes, reduced by any liability to which the property is subject. See section 956(c) and (d) and the regulations under section 956 to determine whether the CFC is treated as holding U.S. property. The amount of U.S. property held (directly or indirectly) by the CFC that was acquired by the foreign corporation before it became a CFC is disregarded (that is, not included), but not in excess of the amount of applicable earnings (as defined in section 956(b)) accumulated during periods before it became a CFC.

If the foreign corporation **ceases to be a CFC** during the tax year:

- The determination of the U.S. shareholder's pro rata share will be made based upon the stock owned (within the meaning of section 958(a)) by the U.S. shareholder on the last day during the tax year in which the foreign corporation was a CFC;
- The CFC's U.S. property for the tax year will be determined only by taking into account quarters ending on or before such last day (and investments in U.S. property

as of the close of subsequent quarters should be recorded as zero on line 1); and

- In determining applicable earnings, current year E&P will include only E&P that are allocable (on a pro rata basis) to the part of the year during which the foreign corporation was a CFC.

Instructions for Separate Schedules

Schedule E

Use Schedule E, Part I, to report taxes paid, accrued, or deemed paid under section 960(b)(2) by a foreign corporation for which a foreign tax credit is allowed, and use Schedule E, Part III, to report taxes for which a credit may not be taken.

Note. Schedule E must be completed even for noncorporate U.S. shareholders. Certain noncorporate U.S. shareholders may elect under section 962 to be taxed at corporate rates on section 951(a) amounts and the global intangible low-taxed income (GILTI) inclusion for the tax year, so as to be able to claim a credit for certain foreign taxes paid or accrued by the CFC. The information reported on Schedule E is relevant for U.S. shareholders making this election. Also, timely information reporting is important to the extent the U.S. shareholder chooses to amend its return in a later year to make the election under section 962. Schedules E and E-1 are also relevant for noncorporate U.S. shareholders who do not make a section 962 election. Taxes paid or accrued with respect to distributions of PTEP by the U.S. shareholder, while not reported on Form 5471, are subject to different rules regarding creditability and foreign currency gain or loss. See, for example, sections 965(g) and 986(c). Therefore, it is important that the U.S. shareholder track the PTEP groups to follow the different rules for each group.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Lines a, b, and c. Complete a separate Schedule E for each applicable separate category of income. Enter the appropriate code on line a (above Part I). To determine the appropriate code, see *Categories of Income* in the Instructions for Form 1118, Foreign Tax Credit—Corporations. Taxes with respect to all categories of income listed in the Instructions for Form 1118, with the exception of foreign branch income, may need to be reported. A foreign corporation may accrue or pay taxes properly attributable to an income group within the general category, passive category, or section 901(j) category. See Regulations section 1.960-1(d)(2)(ii). A foreign corporation may accrue or pay taxes properly attributable to a PTEP group within any of the separate categories of

income, with the exception of foreign branch category income. See Regulations section 1.960-3(c)(1).

If code 901j is entered on line a, enter on line b the country code for the sanctioned country using the two-letter codes (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

If one of the RBT codes is entered on line a, enter on line c the country code for the treaty country using the two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

Note. Do not complete a separate Schedule E for taxes assigned to the section 951A category. Taxes paid, accrued, or deemed paid with respect to section 951A PTEP that is in the section 951A category are reported on the Schedule E completed for the general category.

Important. In addition to the separate category codes referred to above, if you have more than one of the categories of income referred to above, you must complete and file a separate Schedule E (including Schedule E-1) using code "TOTAL" that aggregates all amounts listed for each line and column of all other Schedules E and E-1.

Part I—Taxes for Which a Foreign Tax Credit Is Allowed

In Part I, Section 1, list income, war profits, and excess profits taxes (income taxes) paid or accrued to each foreign country or U.S. territory for the foreign corporation's foreign tax year(s) that ends with or within its U.S. tax year.

In Part I, Section 2, report taxes deemed paid under section 960(b)(2) with respect to distributions of PTEP from a lower-tier foreign corporation to the foreign corporation with respect to which this Schedule E (Form 5471) is being completed.

Amounts not reported in Part I. Do not report taxes that are not creditable, including taxes for which a credit is disallowed under section 245A(d) or section 901(j), (k), (l), or (m); or suspended under section 909. Such taxes are reported in Part III. A credit is never allowed for taxes paid or accrued to the United States. Do not report such taxes in Part I. Report them instead in Part III.

Adjustments to foreign income taxes. Adjustments to foreign income taxes paid or accrued in a prior year should not be reflected on Schedule E in the year of adjustment. Instead, they should be reported in the year to which such taxes relate. This may require an amended return. See section 905(c). Adjustments include additional payments, refunds, and downward adjustments for accrued foreign taxes that are not paid within 2 years after the close of the tax year to which such taxes relate.

Comparison to income tax expense reported on Form 5471, Schedule C. The foreign income taxes reported on Schedule E may differ from the amount reported as income tax expense on line 21a of Schedule C. This is due in part to differences in the accounting for foreign tax redeterminations, disallowed taxes, and foreign income taxes reported in Other Comprehensive Income for U.S. GAAP purposes.

Comparison to income tax expense reported on Schedule H (Form 5471). The taxes added or deducted

on line 2g of Schedule H include both foreign income taxes reported in Part I of Schedule E as well as the taxes reported in Part III of Schedule E that are not creditable foreign income taxes.

Section 1—Taxes Paid or Accrued Directly by Foreign Corporation

Column (a)

Amounts reported on Schedule E may include taxes paid or accrued by the foreign corporation or a pass-through entity (for example, a partnership or disregarded entity) owned by the foreign corporation. If the tax is paid or accrued by the pass-through entity, enter the name of such entity instead of the name of the foreign corporation. If the tax paid or accrued by the foreign corporation is attributable to a branch or qualified business unit (QBU) of the foreign corporation, enter the name of the branch or QBU.

Column (b)

Enter the EIN or reference ID number of the payor entity listed in column (a). A reference ID number is required only in cases in which no EIN was entered for the foreign corporation or pass-through entity owned by the foreign corporation. Filers are permitted to enter both an EIN and a reference ID number. See *Item 1b(2)—Reference ID Number*, earlier, for more information about reference ID numbers.

Column (c)

Check the box if the foreign income taxes reported in column (j) were paid or accrued by the foreign corporation during prior tax years and were suspended due to the application of the rules of section 909 and that are unsuspended in the current year because related income is taken into account by the foreign corporation, certain U.S. corporate owners of the foreign corporation, or a member of such U.S. corporate owner's consolidated group.

Column (d)

Enter the two-letter codes (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)) of all foreign countries and U.S. territories to which taxes were paid or accrued. If taxes were paid or accrued to more than one country with respect to the same income, include each tax paid or accrued to a different country on separate lines.

Column (e)

The foreign tax year under foreign tax law may not be the same tax year as the U.S. tax year of the foreign corporation. If the tax is attributable to a pass-through entity owned by a foreign corporation, the foreign tax year of the foreign corporation within which such pass-through entity's year ends should be reported on this line.

Column (g)

Enter the income reported to the foreign tax authority under foreign tax law. This should be the foreign taxable income base for determining the tax reported in column (j).

Column (h)

Check the box if taxes were paid on U.S. source income.

Column (i)

Enter the three-letter currency code for the local currency in which the tax is payable. Currency codes are available at six-group.com/en/products-services/financial-information/data-standards.html#scrollTo=currency-codes.

Column (j)

Enter the tax paid or accrued in the local currency in which tax is payable and not the functional currency of the payor or foreign corporation. See sections 986(a) and 905(c).

Columns (k) and (l)

Enter the exchange rate in column (k) and the translated dollar amount in column (l).

Translate the taxes entered in column (j) into dollars at the average exchange rate for the tax year to which the tax relates unless one of the exceptions below applies. See section 986(a).

Exceptions. If one of the following exceptions applies, use the exchange rate in effect on the date the foreign corporation paid the tax.

1. The tax is paid before the beginning of the year to which the tax relates.
2. Accrued taxes are not paid before the date 2 years after the close of the tax year to which such taxes relate.
3. There is an election in effect under section 986(a)(1)(D) to translate foreign taxes using the exchange rate in effect on the date of payment.
4. The foreign corporation reports on the cash basis. See section 986(a).
5. The foreign tax is denominated in an inflationary currency. See section 986(a)(1)(C).

Report the exchange rate using the “divide-by convention” specified under [Reporting exchange rates on Form 5471](#), earlier.

Column (m)

Enter the tax in functional currency. E&P takes into account foreign income taxes paid or accrued by the foreign corporation. The foreign corporation's E&P is determined in the foreign corporation's functional currency. See section 986(b).

Line 5

Report the total of the amounts listed in column (l) on this line 5. This total should also be reported on Schedule E-1, line 4.

Line 6

Report the total of the amounts listed in column (m) on this line 6. This total and the amount reported on line 3 of Schedule E, Part III, are the appropriate reduction to current year E&P for income taxes. See Schedule H, line 2g.

Example. CFC1, a foreign corporation, with reference ID number 1000123, pays or accrues tax of 10u = \$10 to Country X on 50u of Country X foreign source taxable income with respect to CFC1's foreign tax year ending December 31, 2023. CFC1 has a December 31 tax year end for both foreign and U.S. tax purposes. Also, CFC1 receives in the tax year ending December 31, 2023, a refund of 3u from Country X on 15u of foreign source income with respect to CFC1's tax year ending December 31, 2017, translated to equal \$5, and on which the original liability was \$7. Therefore, the revised tax liability is \$2. All taxes relate to general category income. Also assume for both years that the local currency in which the tax was paid was the same as the foreign corporation's functional currency. The country code for Country X is XX.

The following entries should be made on the 2023 Schedule E (Form 5471), Part I, Section 1, for CFC1 with respect to the General Category Income separate category.

- Line 1, column (a): CFC1
- Line 1, column (b): 1000123
- Line 1, column (d): XX
- Line 1, column (e): 2023/12/31
- Line 1, column (f): 2023/12/31
- Line 1, column (g): 50u
- Line 1, column (i): u
- Line 1, column (j): 10u
- Line 1, column (k): 1.0000
- Line 1, column (l): \$10
- Line 1, column (m): 10u

An amended 2017 tax return should be filed by or for the U.S. person(s) with respect to which Form 5471 was required and that return should include an amended Form 5471. The amended Form 5471 should include an attachment with a schedule that looks like the current version of Schedule E, Part I, Section 1, with the following entries for the general category of income.

- Line 1, column (a): CFC1
- Line 1, column (b): 1000123
- Line 1, column (d): XX
- Line 1, column (e): 2017/12/31
- Line 1, column (f): 2017/12/31
- Line 1, column (g): 15u
- Line 1, column (i): u
- Line 1, column (j): 1.20u
- Line 1, column (k): 1.6667
- Line 1, column (l): \$2
- Line 1, column (m): 1.20u

Section 2—Taxes Deemed Paid (Section 960(b))

The purpose of Section 2 is to track deemed-paid foreign income taxes with respect to current year PTEP distributions from lower-tier foreign corporations to the foreign corporation with respect to which this Schedule E (Form 5471) is being completed (“the foreign corporation”).

Report a PTEP distribution by a lower-tier foreign corporation in Section 2 only if foreign income taxes are deemed paid under section 960(b) by the foreign corporation with respect to such PTEP distribution.

The only foreign taxes of the distributing foreign corporation that may be treated as deemed paid under section 960(b) are foreign taxes paid, accrued, or deemed paid by the distributing foreign corporation with respect to the receipt of a PTEP distribution from another lower-tier foreign corporation below the distributing foreign corporation. Accordingly, there can be no deemed-paid foreign taxes with respect to a PTEP distribution from a lower-tier foreign corporation that is the lowest foreign-tier foreign corporation in a chain, and therefore no such distributions will be reported in Section 2. See Regulations section 1.960-1(d)(3)(ii)(B).

Any foreign income taxes paid or accrued (but not deemed paid) by the foreign corporation with respect to a PTEP distribution from a lower-tier foreign corporation (whether or not such PTEP distribution is reported in Section 2), such as withholding taxes imposed on the PTEP distribution, are reported in Section 1.

Column (a)

Enter the name of each lower-tier foreign corporation that made a PTEP distribution with respect to which a deemed-paid tax is determined in the current year by the foreign corporation with respect to which this Schedule E (Form 5471) is being completed.

Column (b)

Enter the EIN or reference ID number of the lower-tier foreign corporation listed in column (a). A reference ID number is required only in cases in which no EIN was entered for the lower-tier foreign corporation. Filers are permitted to enter both an EIN and a reference ID number. See [Item 1b\(2\)—Reference ID Number](#), earlier, for more information about reference ID numbers.

Column (c)

Enter the applicable two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

Column (d)

Enter the code which describes the PTEP group classification (as set forth in Regulations section 1.960-3(c)(2)). Please enter the applicable PTEP group code from the following list.

PTEP Group Classification

Taxes related to previously taxed E&P	PTEP Group Code
Reclassified section 965(a) PTEP	R965a
Reclassified section 965(b) PTEP	R965b
General section 959(c)(1) PTEP	959c1
Reclassified section 951A PTEP	R951A
Reclassified section 245A(d) PTEP	R245Ad
Section 965(a) PTEP	965a
Section 965(b) PTEP	965b
Section 951A PTEP	951A
Section 245A(d) PTEP	245Ad
Section 951(a)(1)(A) PTEP	951a1A

Column (e)

Enter the year in which the U.S. shareholder included income of the lower-tier foreign corporation under section 951(a) or section 951A and established the PTEP account to which the distribution is attributed. This is the annual PTEP account. See Regulations section 1.960-3(c)(1).

Column (f)

Enter the PTEP distribution with respect to the PTEP group within the annual PTEP account identified in column (d) and column (e) in the functional currency of the distributing lower-tier foreign corporation. If there is a PTEP distribution related to more than one PTEP group within an annual PTEP account, complete a separate line for each PTEP group within an annual PTEP account.

Column (g)

Enter the total amount of the lower-tier foreign corporation's PTEP in the PTEP group within the annual PTEP account identified in column (d) and column (e). Enter such amount in the functional currency of the distributing lower-tier foreign corporation.

Column (h)

Enter the total amount of the lower-tier foreign corporation's PTEP group taxes with respect to the PTEP group within the annual PTEP account identified in column (d) and column (e). Enter this amount in U.S. dollars. To determine the appropriate translation rate, see section 986(a).

Column (i)

Enter the U.S. dollar amount of the recipient foreign corporation's income taxes deemed paid that are properly attributable to the PTEP distribution reported in column (f) and not deemed to have been paid by the domestic corporation for any prior tax year.

Note. With respect to distributions of PTEP resulting from inclusions under section 965, report the taxes properly attributable to such PTEP without reduction for the foreign tax credit disallowance.

Part III—Taxes for Which Foreign Tax Credit Is Disallowed

Use Part III to report taxes for which foreign tax credits are not allowed. While not allowed as a credit, such taxes are taken into account in determining the foreign corporation's E&P.

Do not enter taxes that do not meet the criteria under Regulations section 1.901-2.

Columns (a) and (b)

See [Part I—Taxes for Which a Foreign Tax Credit Is Allowed](#), earlier, for instructions regarding these columns.

Column (c)

Enter foreign income taxes that are disallowed under section 901(j), generally foreign income taxes paid or accrued to certain sanctioned countries.

Column (d)

Enter foreign income taxes that are disallowed under section 901(k), which generally applies to certain taxes paid on dividends if the minimum holding period is not met with respect to the underlying stock, or if the corporation is obligated to make related payments with respect to positions in similar or related property. Also enter foreign income taxes disallowed under section 901(l), which generally applies to certain taxes paid on gain and income other than dividends if the minimum holding period is not met with respect to the underlying property, or if the corporation is obligated to make related payments with respect to positions in similar or related property.

Column (e)

In the case of a covered asset acquisition (as defined in section 901(m)(2)), enter the disqualified portion of any tax determined with respect to the income or gain attributable to the relevant foreign assets (section 901(m)).

Note. This rule generally applies to covered asset acquisitions after December 31, 2010. See Regulations sections 1.901(m)-1 through 1.901(m)-8 for additional information. Note that the rules contained in these regulations have later effective dates.

Column (f)

Enter the amount of taxes paid or accrued by the foreign corporation to the United States. No credit is allowed for these taxes because only foreign income taxes paid or accrued to a foreign country or territory of the United States are allowed as a credit. See section 901(b).

Column (g)

Report foreign income taxes related to the current tax year that have been suspended due to the rules of section 909.

Column (h)

Enter taxes for which a foreign tax credit is disallowed other than those detailed in columns (c) through (g). Such taxes may include, but are not limited to, taxes attributable to section 245A(d) income, certain taxes on the purchase or sale of oil and gas (section 901(f)), certain taxes used to provide subsidies (section 901(i)), and taxes for which no credit is allowed because of the boycott provisions of section 908.

Column (i)

For each line in this column, enter the total amount for each payor in columns (c) through (h).

Line 3

Total each amount in column (i) and enter on line 3. All amounts should be in functional currency.

Line 4

Translate the line 3 amount from functional currency to U.S. dollars using, in general, the average exchange rate as defined by section 989(b)(3).

Schedule E-1

Use Schedule E-1 (on pages 2 and 3 of separate Schedule E) to report the cumulative balance of foreign income taxes paid or accrued by a CFC by separate category of income.

Enter amounts in U.S. dollars unless otherwise noted.

Columns (a), (b), and (c)

In columns (a), (b), and (c), report only the foreign income taxes the foreign corporation pays or accrues attributable to the subpart F income group, the tested income group, and the residual income group, respectively. Use Schedule Q to determine the taxes attributable to each income group. Do not include foreign income taxes paid or accrued by the foreign corporation in its other tax years beginning after December 31, 2017, or that do not relate to the current tax year. Do not include foreign income taxes that are disallowed and are reported on Schedule E, Part III. Do not include taxes paid or accrued by the foreign corporation with respect to its receipt of a PTEP distribution, even if those amounts were included in the total entered on line 5, column (l), of Schedule E, Part I, Section 1. These are reported in column (e). Do not include taxes deemed paid by the foreign corporation with respect to its receipt of a PTEP distribution. These are also reported in column (e).

On line 9, report reductions for the portion of such taxes that are deemed paid by a U.S. shareholder with respect to an inclusion under section 951(a) or 951A. On line 15, report reductions for foreign income taxes attributable to the column (b) tested income group that are not deemed paid as a result of the inclusion percentage or the 80%

limitation. Also, on line 15, report any other reductions to the three income groups in columns (a), (b), and (c) necessary to achieve a zero balance on line 16. Attach a statement explaining why such taxes were not deemed paid under section 960. The balance of foreign income taxes paid or accrued with respect to the three income groups that is entered on line 16 should equal zero after taking into account the reductions.

Column (d)

Use column (d) to report taxes suspended under section 909.

Columns (e)(i) through (e)(x)

Report foreign income taxes paid or accrued with respect to E&P described in section 959(c)(1) and (c)(2). See the instructions for Schedule J, [Column \(e\)](#), later, for specific information about the ten PTEP group columns. Also see Regulations section 1.960-3(c)(2) for additional information regarding the ten PTEP groups.

Specific Instructions Related to Lines 1 Through 16

Line 1a. This amount should equal the amount that was reported as the balance on line 16 of the prior year Schedule E-1.

Line 1b. If the balance on line 16 of prior year Schedule E-1 was adjusted after the filing of the original prior year Form 5471, such adjustments should be reflected on line 1b. For example, if there were errors in the original computation of foreign income taxes, an adjustment would be included on this line. See [Corrections to Form 5471](#), earlier. Do not include any adjustments required to be reported on line 7 or 12. Attach a statement that includes an explanation and the dollar amount of each such adjustment, along with a total that equals the amount entered on line 1b.

Line 2. Use line 2 to reflect adjustments to a U.S. person's foreign tax credit as a result of redetermined foreign income taxes. If a U.S. person has appropriately amended the immediately prior year return, including its Schedule E-1, to redetermine its U.S. tax liability, no adjustment should be included on this line. This line is only applicable if a U.S. person appropriately amended a prior year return and there were intervening years between the amended year return and the current year return for which an amended return was not filed. If so, an adjustment for the prior year amended return (and its impact on intervening years) should be reflected on line 2.

Line 3a. A tax reported on Schedule E, Part I, Section 1, line 5, column (l), for which column (c) was checked because such tax was unsuspended in the current year, should be included as a positive amount in column (a), (b), (c), or (e), as appropriate. Such tax should also be reflected as a negative amount in column (d).

Line 3b. Include as a positive amount in column (d) foreign income taxes related to the current tax year that have been suspended due to the rules of section 909. Such taxes are also reported on Schedule E, Part III, column (g).

Line 4. The total reported on Schedule E, Part I, Section 1, line 5, column (l), should be separated into columns (a) through (e) according to the type of income or E&P to which such taxes relate. Therefore, for example, taxes paid or accrued with respect to the receipt of a PTEP distribution are reported in column (e), and taxes paid or accrued with respect to current year subpart F income of the foreign corporation are reported in column (a).

Example 1. Domestic Corporation, a U.S. shareholder, wholly owns the only class of stock of CFC1, a foreign corporation. CFC1, in turn, wholly owns the only class of stock of CFC2, a foreign corporation. CFC2, in turn, wholly owns the only class of stock of CFC3, a foreign corporation. The functional currency of Domestic Corporation, CFC1, CFC2, and CFC3 is the U.S. dollar. During Year 1, CFC3 has subpart F income, after foreign income tax, of \$100 with respect to which it pays \$20 of foreign income tax. Such tax is properly attributable to subpart F income of CFC3 and is reported on line 4, column (a), of Schedule E-1 of CFC3's Form 5471. During Year 1, Domestic Corporation reports an inclusion under section 951(a)(1) of \$100 and deemed paid taxes of \$20 under section 960(a) as a result of subpart F income of CFC3. During Year 2, CFC3 distributes \$40 to CFC2. CFC2 pays withholding tax of \$4 on the distribution from CFC3. Such tax is a tax related to previously taxed earnings and profits that were included as subpart F income and is reported on line 4, column (e)(x), of Schedule E-1 of CFC2's Form 5471.

Line 5. Report taxes carried over to a foreign surviving corporation after an acquisition by a foreign corporation of the assets of another foreign corporation in a transaction described in section 381. See Regulations section 1.367(b)-7(b)(1) and (d)(1).

Line 6. Enter foreign income taxes properly attributable to PTEP and not previously deemed paid (from Schedule E, Part I, Section 2, line 5, column (i)). The total reported on Schedule E, Part I, Section 2, line 5, column (i), should be broken out on Schedule E-1, line 6, columns (e)(i) through (e)(x), based on the type of PTEP to which such taxes relate.

Example 2. The facts are the same as in *Example 1*, except that, in addition, CFC2 distributes \$36 to CFC1 in Year 3. CFC1 is deemed to pay the \$4 of withholding tax paid by CFC2 in Year 2. See section 960(b). Such tax is attributable to previously taxed subpart F income and is reported on line 6, column (e)(x), of Schedule E-1 of CFC1's Form 5471. Such tax is also reported as a negative number on line 10, column (e)(x), of Schedule E-1 of CFC2's Form 5471.

Line 7. Attach a statement with a description and the amount of any adjustments required before taking into account taxes deemed paid by the foreign corporation. Do not include any adjustments required to be reported on line 1b or 12.

Line 9. A domestic corporation is deemed to pay foreign income taxes attributable to inclusions under section 951(a)(1). See section 960(a). Amounts reported on line 9 should be negative numbers.

If a domestic corporation includes an amount in income under section 951A, such domestic corporation is

deemed to pay foreign income taxes equal to 80% of the product of (a) such domestic corporation's inclusion percentage, multiplied by (b) the aggregate tested foreign income taxes paid or accrued by the CFC. For the computation of such amount, see Form 1118, Schedule D. Amounts reported on line 9 should be negative numbers. See line 15 with respect to reporting taxes not deemed paid as a result of the inclusion percentage or the application of the 80% limitation.

Line 10. A domestic corporation is deemed to pay foreign income taxes with respect to distributions of PTEP. See Section 960(b)(1). Amounts reported on line 10 should be negative numbers.

Taxes are deemed paid by a domestic corporation that is a U.S. shareholder or a foreign corporation that is a CFC with respect to distributions of PTEP that it receives. Report on line 10, column (e), the taxes that relate to PTEP of the foreign corporation that are deemed paid by a shareholder of the foreign corporation, either an upper-tier foreign corporation or a U.S. shareholder, with respect to a distribution of PTEP made by the foreign corporation.

Example 3. The facts are the same as in *Example 2*, except that during Year 4, CFC1 distributes \$36 to Domestic Corporation. Domestic Corporation is deemed to pay the \$4 of withholding taxes deemed paid by CFC1 in Year 3 and paid by CFC2 in Year 2. A negative \$4 will be recorded on line 10, column (e)(x), of CFC1's Form 5471, Schedule E-1.

See *Example 2*, earlier, for reporting on line 10, column (e)(x), of Schedule E-1 of CFC2's Form 5471 with respect to taxes on distributions from CFC3 to CFC2.

Line 11. Foreign income taxes reclassified from section 959(c)(2) PTEP to section 959(c)(1) PTEP should be reported as negative numbers in columns (e)(vi) through (e)(x) and as positive numbers in columns (e)(i) through (e)(v).

Example 4. The facts are the same as in *Example 1*, except that during Year 2, CFC2 invests \$40 in U.S. property. At the time of investment in such property, CFC2 continues to maintain a \$36 balance in its section 959(c)(2) PTEP account. CFC2 reclassifies such amount as section 959(c)(1) PTEP on Schedule J. Accordingly, \$4 of foreign income taxes related to section 959(c)(2) PTEP is reclassified to section 959(c)(1) PTEP on line 11, column (e)(iii). A negative \$4 will be recorded on line 11, column (e)(x), and a positive \$4 will be recorded on line 11, column (e)(iii).

Line 12. Attach a statement with a description and the amount of any required adjustments to taxes of the foreign corporation not already taken into account on this schedule. An example of amounts reported on line 12 is taxes attributable to PTEP distributions to shareholders ineligible to claim a foreign tax credit under section 960(b)(1) (such as foreign corporations).

Line 15. Enter the reduction to the column (b) tested income group for tested income taxes not deemed paid. See Regulations section 1.960-1. This includes taxes attributable to the column (b) tested income group that were not deemed paid as a result of the domestic corporation's inclusion percentage or as a result of the application of the 80% limit. See section 960(d). Enter the

reduction to the three income groups in columns (a), (b), and (c) for other taxes not deemed paid. See Regulations section 1.960-1. This includes taxes that are properly attributable to a subpart F income group but were not deemed paid because there was no subpart F income with respect to that income group in the current year.

Note. If necessary, enter negative amounts on line 15 of columns (a), (b), and (c) in amounts sufficient to reduce line 16, columns (a), (b), and (c), to zero. Attach a statement explaining why such taxes were not deemed paid under section 960.

Schedule G-1

Note. A separate Schedule G-1 must be filed for each cost sharing arrangement (CSA) as defined in Regulations section 1.482-7(b) in which the foreign corporation was a controlled participant (as defined in Regulations section 1.482-7(j)) during the tax year. All amounts should be reported in U.S. dollars.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Question 4. Enter the foreign corporation's share of reasonably anticipated benefits (RAB) for the CSA during the tax year. See Regulations section 1.482-7(e) for rules on a determining and updating controlled participant's RAB share. If the foreign corporation applied more than one RAB share during the tax year in determining its share of intangible development costs (IDCs), enter the RAB share that was applied to IDCs incurred at the end of the year. See Regulations section 1.482-7(d) for more information on IDCs.

Question 5a. Check the "Yes" box if the U.S. taxpayer made any platform contributions as defined in Regulations section 1.482-7(c) to the CSA during the tax year. If "Yes," complete lines 5b and 5c.

Questions 5b and 5c. Enter the foreign corporation's RAB share of the total present value of all platform contributions made by the U.S. taxpayer during the tax year with respect to the foreign corporation on line 5b. The total present value of all platform contributions made by the U.S. taxpayer during the tax year should be entered even if only a portion (or none) of the value of those platform contributions was included in the U.S. taxpayer's taxable income as platform contribution transaction (PCT) payments during the tax year. If possible, include a reasonable present value estimate for any PCTs that are priced using a method that does not involve the calculation of a present value. Otherwise, attach a brief statement of the reason(s) it is not possible to include a present value estimate for one or more PCTs (for example, no revenue projections for a PCT that is priced based on a

sales-based royalty from a comparable uncontrolled transaction).

If the U.S. taxpayer engaged in multiple PCTs during the tax year with the foreign corporation and used different methods to price the PCTs, check the appropriate boxes on line 5c to indicate which methods were selected as the best method for one or more of the PCTs reported in the tax year. See Regulations section 1.482-7(g) for more information on the methods applicable to PCTs.

Questions 6b and 6c. See, generally, Regulations section 1.482-7 for more information on determining whether stock-based compensation is directly identified with, or reasonably allocable to, the intangible development activity (IDA) under the CSA. See Regulations section 1.482-7(d)(3) and Notice 2005-99 for more information on determining the measurement and timing of stock-based compensation IDCs, including an election available with respect to options on publicly traded stock and certain other stock-based compensation. If the taxpayer made the election described in Regulations section 1.482-7(d)(3)(iii)(B) or Notice 2005-99, the taxpayer should attach a statement to Form 5471 explaining that the taxpayer made such election and include in such statement the total amount of stock-based compensation taken into account as an IDC for the tax year pursuant to such election. If the taxpayer attaches the statement described in the previous sentence, then in the entry space provided for line 6b the taxpayer should include the total amount of stock-based compensation taken into account as an IDC, including stock-based compensation pursuant to the election described above and any not subject to such election.

Check the appropriate box on line 6c to indicate whether any stock-based compensation was granted during the term of the CSA to individuals who performed functions in business activities that generate cost-shared intangibles that were not treated as directly identified with, or reasonably allocable to, the IDA as defined in Regulations section 1.482-7(d)(1)(i). This would include stock-based compensation granted in earlier years (which could give rise to deductions in the current tax year) that were not treated as identified with or reasonably allocable to the IDA.

Questions 7a and 7b. For the tax year, enter the total amount of IDCs for the CSA on line 7a. See Regulations section 1.482-7(d) for more information on IDCs.

On line 7b, enter the amount of IDCs allocated to the foreign corporation for the tax year based on the foreign corporation's RAB share.

Schedule H

Use Schedule H to report the foreign corporation's current year E&P for U.S. tax purposes. Enter the amounts on lines 1 through 5c in the CFC's functional currency.

Certain filers may be able to use alternative information (as defined in section 3.01 of Rev. Proc. 2019-40) to determine certain amounts in this schedule. See [Item F—Alternative Information Under Rev. Proc. 2019-40](#), earlier, for more details.

Note. A separate Schedule H-1 must be attached for each person described in Categories 4, 5a, and 5b with respect to which reporting is furnished on this Form 5471 that is an applicable corporation within the meaning of section 59(k).

Note. Category 5b filers are not required to file Schedule H for foreign-controlled CFCs.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Special rules for DASTM. If the foreign corporation uses DASTM, enter on line 1 the dollar GAAP income or (loss) from line 22 of Schedule C. Enter on lines 2a through 4 the adjustments made in figuring current E&P for U.S. tax purposes. Report these amounts in U.S. dollars. Enter on line 5b the DASTM gain or loss figured under Regulations section 1.985-3(d).

Lines 2a through 2i. Certain adjustments (required by Regulations section 1.964-1(b) and (c)) must be made to the foreign corporation's line 1 net book income or (loss) to determine its current year E&P. These adjustments may include both positive and negative adjustments to conform the foreign book income to U.S. GAAP and to U.S. tax accounting principles. If the foreign corporation's books are maintained in functional currency in accordance with U.S. GAAP, enter on line 1 the functional currency GAAP income or (loss) from line 22 of Schedule C, rather than starting with foreign book income, and show GAAP-to-tax adjustments on lines 2a through 2i.

Lines 2b and 2c. Generally, depreciation, depletion, and amortization allowances must be based on the historical cost of the underlying asset, and depreciation must be figured according to section 167. However, if 20% or more of the foreign corporation's gross income is from U.S. sources, depreciation must be figured on a straight line basis according to Regulations section 1.312-15.

Line 2f. Inventories must be taken into account according to the rules of sections 471 (incorporating the provisions of section 263A) and 472 and the related regulations.

Line 2g. See the instructions for Schedule C, [Line 21](#), earlier. Reflect differences between the income tax expense (benefit) reported for book purposes and the income taxes deducted or added to E&P. Such differences include, for example, deferred income tax expenses, uncertain tax positions, intraperiod allocations, adjustments made after closing the financial statements (post-closing adjustments) and not reflected in income tax expense (benefit), and the adjustment for a foreign tax redetermination that required a redetermination of the U.S. tax liability.

Line 2h. Enter the adjustment to foreign currency gains or losses. Attach a statement with a description of the gain or losses.

In the case of section 988 losses, determine whether Form 8886 needs to be completed, as described under [Additional Filing Requirements](#), earlier.

Line 2i. Enter the net amount of any additional adjustments not included on lines 2a through 2h. List these additional adjustments on a separate statement. Attach this statement to Form 5471. Schedule H is only prepared for the general, passive, and section 901(j) categories of income. For example, if U.S. GAAP income reported on Schedule C contains items related to PTEP, include the necessary adjustments on line 2i of Schedule H for the appropriate category of income (general or passive) and attach a statement that itemizes and explains those adjustments. Report adjustments for foreign taxes related to the PTEP on line 2g. This adjustment is necessary because foreign taxes imposed on PTEP distributions do not reduce current year E&P. Foreign taxes imposed on PTEP distributions reduce PTEP and are reported on Schedule J, line 6.

Example. Domestic Corporation, a U.S. shareholder, wholly owns the only class of stock of CFC1, a foreign corporation. CFC1, in turn, wholly owns the only class of stock of CFC2, a foreign corporation. During Year 1, Domestic Corporation reports an inclusion under section 951(a)(1) of \$100 as a result of subpart F income of CFC2. During Year 2, CFC2 distributes \$40 to CFC1. CFC1 pays withholding tax of \$4 on the distribution from CFC2. Such tax is related to previously taxed subpart F income. On Domestic Corporation's financial statements, Domestic Corporation reports the \$4 withholding tax as current income tax expense. Domestic Corporation reports on CFC1's Form 5471, Schedule H, line 2g, a positive adjustment for the \$4 of tax on the PTEP distribution.

Line 5b. DASTM gain or (loss), reflecting unrealized exchange gain or loss, should be entered on line 5b only for foreign corporations that use DASTM.

Line 5c. The line 5c current year E&P amount may include amounts with respect to the general category, passive category, or section 901(j) category. See Regulations section 1.960-1(d)(2). Enter on lines 5c(i), 5c(ii), 5c(iii)(A), 5c(iii)(B), 5c(iii)(C), and 5c(iii)(D), as applicable, the portion of the line 5c current year E&P amount with respect to each applicable category of income. If applicable for lines 5c(iii)(A), 5c(iii)(B), 5c(iii)(C), and 5c(iii)(D), also enter the country code for the sanctioned country using the two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

Note. The amounts reported on line 5c include both foreign source and U.S. source income.

Line 5d. Enter the line 5c functional currency amount translated into U.S. dollars at the average exchange rate for the foreign corporation's tax year. See section 989(b). Report the exchange rate using the "divide-by convention" specified under [Reporting Exchange Rates on Form 5471](#), earlier. If the foreign corporation uses DASTM, enter on line 5d the same amount entered on line 5c.

Line 5e. Enter the exchange rate used in computing line 5d. Report the exchange rate using the "divide-by

convention" specified under [Reporting Exchange Rates on Form 5471](#), earlier.

Blocked income. The E&P of the foreign corporation, as reflected on Schedule H, must not be reduced by all or any part of such E&P that could not have been distributed by the foreign corporation due to currency or other restrictions or limitations imposed under the laws of any foreign country.

Schedule H-1

Use Schedule H-1 to report the CFC's adjusted net income or loss for corporate alternative minimum tax (CAMT) purposes. Enter the amounts on lines 1 through 2m in the currency in which the item originates (that is, applicable financial statement (AFS) currency, functional currency, or U.S. dollars).

Item a. The AFS currency is the currency in which the applicable financial statements are denominated, which is not necessarily the functional currency. See the Form 4626 instructions for determination of applicable financial statements.

Item b. The exchange rate used to convert from AFS currency to U.S. dollars is the weighted average exchange rate. See Proposed Regulations section 1.56A-1(e). Report the exchange rate using the "divide-by convention" specified under [Reporting Exchange Rates on Form 5471](#), earlier.

Line 1. Enter the net income or (loss) set forth on the applicable financial statement in AFS currency and, if not already in U.S. dollars, convert to U.S. dollars using the weighted average exchange rate. See Proposed Regulations section 1.56A-1(e).

Lines 2a through 2m. Certain adjustments (required by section 56A(c)) must be made to the foreign corporation's line 1 net book income or (loss) to determine its adjusted net income or loss for CAMT purposes. These adjustments may include both positive and negative adjustments.

For adjustments denominated in AFS currency, the AFS currency amount of the item is reported in the AFS Currency column and translated into U.S. dollars at the weighted average exchange rate for the year, and the U.S. dollar amount of the item is reported in the U.S. Dollars column. For adjustments denominated in functional currency, the functional currency amount of the item is reported in the Functional Currency column, and the translated U.S. dollar amount of the item is reported in the U.S. Dollars column. For adjustments already denominated in U.S. dollars, report the amount directly in the U.S. Dollars column.

For example, assume CFC1 has an adjustment item related to consolidated financial statements of 100x local currency, or LC, where LC is the currency in which the AFS are denominated. Assume the weighted average exchange rate for the year at issue is 1 LC : 1.1 USD. With respect to that adjustment item, CFC1 will report the following on line 2b: 100x in the AFS Currency column, nothing in the Functional Currency column, and 110x in the U.S. Dollars column.

Line 2a. Appropriate adjustments to applicable financial statement income (AFSI) are made when the AFS reporting year covers a period other than the CFC's tax year. See Proposed Regulations section 1.59A-3.

Line 2b. Enter the aggregate adjustment needed to:

- Exclude any items of income, expense, gain, and loss resulting from the reporting CFC's ownership of stock of a foreign corporation, including acquiring or disposing of such stock, reflected in the CFC's financial statement income (FSI); and
- Include any items of income, deduction, gain, and loss resulting from the CFC's ownership of stock of a foreign corporation, including acquiring or transferring such stock, for regular tax purposes (taking into account section 961(c) of the Code). See Proposed Regulations section 1.59A-6(c)(2).

Line 2g. Enter the adjustment(s) needed to exclude dividends resulting from the CFC's ownership of stock of a foreign corporation reflected in the CFC's FSI and include dividends for regular tax purposes except for CAMT excluded dividends as defined in Proposed Regulations section 1.59A-6(c)(2)(iii)(B). Where the CFC owns stock of a foreign corporation through a partnership, see Proposed Regulations section 1.59A-6(c)(2)(iv).

Line 2h. Enter the adjustment(s) needed to include the CFC's distributive share of all partnership investment AFSI. See Proposed Regulations section 1.59A-5.

Line 2i. If the CFC is itself an applicable corporation, enter here as a reduction (or increase) the amount of the CFC's income (or loss) determined by taking into account Proposed Regulations section 1.56A-7 (that is, income (or loss) effectively connected with the conduct of a trade or business within the United States). See Proposed Regulations section 1.59A-6(c)(3).

Line 2j. Enter the adjustment(s) needed to disregard any applicable income taxes taken into account in the CFC's AFS. See Proposed Regulations section 1.59A-8(b).

Line 2k. If the CFC owns a disregarded entity, enter the adjustment(s) needed to treat the CFC and the disregarded entity as a single CAMT entity for CAMT purposes. See Proposed Regulations section 1.59A-9.

Line 2l. Enter an adjustment which is the difference between the section 167 depreciation deductions on section 168 property and the depreciation expense included in the CFC's AFS for such property. The adjustment is negative if the section 167 depreciation deduction on section 168 property exceeds the depreciation expense included in the CFC's AFS for such property. The adjustment is positive if the depreciation expense included in the CFC's AFS for section 168 property exceeds the section 167 depreciation deductions on such property. See Proposed Regulations section 1.56A-15.

Line 2m. To the extent not otherwise reflected on lines 2a through 2l, enter here any adjustments made to AFSI to arrive at adjusted net income or loss. See Proposed Regulations section 1.59A-6(c)(1).

Line 5. Enter the filer's pro rata share (determined under rules similar to the rules under section 951(a)(2)) of the

amount on line 5. See Proposed Regulations section 1.59A-6(b)(1).

Schedule I-1

This schedule is used to report information determined at the CFC level with respect to amounts used in the determination of income inclusions by U.S. shareholders under section 951A. The information in this schedule will be used by the U.S. shareholder(s) of the CFC to file Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), and may assist in the completion of Form 1118 or Form 1116, if applicable.

Enter the amounts on lines 1 through 10c in the CFC's functional currency. The functional currency amounts entered on lines 6 through 10c must be converted to U.S. dollars.

Certain filers may be able to use alternative information (as defined in section 3.01 of Rev. Proc. 2019-40) to determine certain amounts in this schedule. See [Item F—Alternative Information Under Rev. Proc. 2019-40](#), earlier, for more details.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Separate category. Schedule I-1 is no longer completed separately for each applicable category of income. Therefore, Schedule I-1 is now completed once (for general category income, passive category income, or both). A Schedule I-1 that includes passive category income on line 6 must include the code for passive category income (PAS) in the entry space for separate category (at the top of Schedule I-1). This is the case even if the Schedule I-1 also includes general category income. With respect to a taxpayer completing Schedule I-1 with respect to a foreign corporation with only general category income (and no passive category income) on line 6, the taxpayer should enter the code "GEN" in the entry space for separate category.

Note. The other reporting requirements of a taxpayer that includes passive category income with general category income on a Schedule I-1 do not change because the taxpayer includes passive category income with general category income on a Schedule I-1. For example, the taxpayer may still be required to complete a Form 1116 or a Form 1118, and/or a Form 5471 (including Schedule J and Schedule P), and separately report passive category income and section 951A category income.

Line 1. Enter the CFC's gross income. The amount of gross income entered on line 1 will generally be a positive amount. However, if a CFC's cost of goods sold exceeds its gross receipts, a negative amount is permitted on line 1.

Line 2. Enter the CFC's exclusions as described in Regulations section 1.951A-2(c).

Line 2a. Enter the amount of the CFC's income or loss described in section 952(b), which is generally income or loss from sources within the United States that is

effectively connected to the conduct of a trade or business by the CFC in the United States and not reduced or exempt from tax pursuant to an income tax treaty with the United States.

Line 2b. Enter the amount, if any, of the CFC's gross income or loss taken into account in determining the CFC's subpart F income (as defined in section 952). Note that an amount determined under section 956(a) is not considered subpart F income. The amount to be entered is computed after application of the high-tax exception in section 954(b)(4), but before application of the E&P limitation in section 952(c)(1)(A).

Line 2c. Enter the amount, if any, of the CFC's gross income excluded from foreign base company income (as defined in section 954) and insurance income (as defined in section 953) by reason of section 954(b)(4), the high-tax exception (include amounts excluded from tested income under Regulations section 1.951A-2(c)(7)).

Line 2d. Enter the amount of any dividend income received by the CFC from a related person as defined in section 954(d)(3). Do not include the amounts of any dividend income received from a related person that are already included in the amounts entered on line 2b or line 2c.

Line 2e. Enter the amount of the CFC's taxable income or loss from sources outside the United States and its territories from the following.

- The extraction (by the corporation or any other person) of minerals from oil or gas wells located outside the United States and its territories.
- The sale or exchange of assets used (by the corporation) in the trade or business of extracting minerals from oil or gas wells located outside the United States and its territories.

Line 3. Combine lines 2a through 2e. The line 3 result can be positive or negative.

Line 4. Subtract line 3 from line 1 and enter the result on line 4. The line 4 result can be positive or negative. For example:

Line 1 gross income	\$1,000	\$1,000	\$(1,000)	\$(1,000)
Line 3 total exclusions	800	(800)	800	(800)
Line 4 (line 1 minus line 3)	\$200	\$1,800	\$(1,800)	\$(200)

Line 5. Enter the deductions (including taxes) properly allocable to the amount on line 4 (or to which such deductions would be allocable if there were such gross income). See section 951A(c)(2)(A)(ii) and Regulations section 1.951A-2(c)(3). The amount entered on line 5 will generally be a positive amount. However, a negative amount is permitted on line 5.

Line 6. Subtract line 5 from 4 and enter the result on line 6. The line 6 result can be positive or negative. See the line 4 instructions above for examples. This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See Regulations section 1.951A-1(d)(1).

Report the exchange rate using the "divide-by convention" specified under [Reporting exchange rates on Form 5471](#), earlier.

Line 7. If the CFC has a tested loss on line 6, enter zero. If the CFC has tested income on line 6, enter only those foreign income taxes that are properly attributable to the CFC's tested income group. This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See section 986.

Line 8. If the CFC has a tested loss on line 6, enter zero. If the CFC has tested income on line 6, enter the qualified business asset investment (QBAI) (defined below). This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See Regulations section 1.951A-1(d)(1).

Qualified business asset investment (QBAI). QBAI is the average of the CFC's aggregate adjusted bases, as of the close of each quarter of its tax year, in specified tangible property used in its trade or business in the production of tested income, and for which a deduction is allowable under section 167. Adjusted basis in any property must be determined by using the alternative depreciation system under section 168(g) and allocating depreciation deductions with respect to such property ratably to each day during the period in the tax year to which such depreciation relates.

Specified tangible property and dual-use property. Specified tangible property means any tangible property used in the production of tested income. If such property was used in the production of tested income and income that is not tested income (that is, dual-use property), the property is treated as specified tangible property in the same proportion that the amount of tested income determined before allocable deductions (that is, line 4) produced with respect to the property bears to the total amount of gross income produced with respect to the property.

Partnership property. A CFC with tested income that is a partner of a partnership that has depreciable tangible property determines its share of the partnership's average adjusted basis in the depreciable tangible property of the partnership based on the amount of the distributive share of the gross income produced by the property that is included in the CFC's gross tested income (defined below) relative to the total amount of gross income produced by the property. The partnership's average adjusted basis in the depreciable tangible property of the partnership is generally determined based on the average of the adjusted basis in the property as of the close of each quarter of the partnership's tax year that ends with or within the CFC's tax year. See Regulations section 1.951A-3(g).

Gross tested income. For these purposes, a CFC's gross tested income is its gross income less total exclusions (Schedule I-1, line 4).

Lines 9a through 9d. In general, see Regulations section 1.951A-4(b)(1) to determine how to compute the CFC's tested interest expense.

Line 9a. Enter the amount of interest expense included on line 5. See [Line 6](#), earlier, for foreign currency translation.

Line 9b. Enter the CFC's qualified interest expense, as defined in Regulations section 1.951A-4(b)(1)(iii).

Line 9c. Enter the CFC's tested loss QBAI amount, as defined in Regulations section 1.951A-4(b)(1)(iv).

Line 9d. Subtract the sum of line 9b and line 9c from line 9a and enter the result on line 9d.

Lines 10a through 10c. In general, see Regulations section 1.951A-4(b)(2) to determine how to compute the CFC's tested interest income.

Line 10a. Enter the amount of interest income included on line 4. See [Line 6](#), earlier, for foreign currency translation.

Line 10b. Enter the CFC's qualified interest income, as defined in Regulations section 1.951A-4(b)(2)(iii).

Line 10c. Subtract line 10b from line 10a and enter the result on line 10c.

Schedule J

Use Schedule J to report a CFC's accumulated E&P in its functional currency, computed under sections 964(a) and 986(b). Also use this schedule to report the E&P of specified foreign corporations that are only treated as CFCs for limited purposes under section 965(e)(2).

Note. Category 1b, 1c, 5b, and 5c filers are not required to file Schedule J for foreign-controlled section 965 SFCs or foreign-controlled CFCs.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Lines a and b. Complete a separate Schedule J for each applicable separate category of income. Enter the appropriate code on line a (at the top of page 1 of Schedule J). To determine the appropriate code, see *Categories of Income* in the Instructions for Form 1118. E&P with respect to all categories of income listed in the Instructions for Form 1118, except foreign branch category income, may need to be reported. A foreign corporation may have E&P in an income group within the general category, passive category, or section 901(j) category. See Regulations section 1.960-1(d)(2)(ii). A foreign corporation may have PTEP in a PTEP group within any of the separate categories of income, except foreign branch category income. See Regulations section 1.960-3(c)(1).

If code 901j is entered on line a, enter on line b the country code for the sanctioned country using the two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

Note. A separate Schedule J should not be completed for the section 951A category. Reclassified section 951A PTEP and section 951A PTEP that is in the section 951A

category should be reported on the general category Schedule J.

Note. For purposes of this Schedule J, include in each separate category of income, foreign source and U.S. source income.

Important. In addition to the separate category codes referred to above, if you have more than one of the categories of income referred to above, you must complete and file a separate Schedule J using code "TOTAL" that aggregates all amounts listed for each line and column in Part I of all other Schedules J.

Part I—Accumulated E&P of Controlled Foreign Corporation

Check the box at the top of Part I if the person filing Form 5471 does not have all U.S. shareholders' information necessary to complete any one of the PTEP amounts required to be included in column (e). If the person filing Form 5471 is unable to determine whether amounts should be reported as PTEP, those amounts should be included in column (a), Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance). For example, one U.S. shareholder might not know the amount of the other U.S. shareholder's section 951A inclusion that is allocated to the CFC because the first U.S. shareholder does not have information with respect to the second U.S. shareholder's net CFC tested income or pro rata share of QBAI. See the [instructions for Schedule P](#), later, for an example.

Enter the amounts in this schedule in the functional currency of the foreign corporation as reported on Form 5471, page 1, [item 1h](#). If the foreign corporation is the owner of a qualified business unit(s) (QBU) with a different functional currency, translate the E&P of the QBU(s) to the foreign corporation's functional currency.

Columns (a), (b), and (c)

Report the opening balance, current year additions and subtractions, and the closing balance in the foreign corporation's E&P described in section 959(c)(3). In general, this is E&P of the foreign corporation that has not been included in gross income of a U.S. person under section 951(a)(1) and section 951A.

In column (a), report E&P described in section 959(c)(3) and earned after the repeal of section 902, that is, post-2017 E&P not previously taxed (post-2017 section 959(c)(3) balance). The repeal of section 902 is effective for tax years of foreign corporations beginning after December 31, 2017, and to tax years of U.S. shareholders in which or with which such tax years of foreign corporations end.

In column (b), report post-1986 undistributed earnings, as defined under section 902(c)(1), and as in effect prior to the repeal of section 902.

Use column (c) to report the aggregate amount of the foreign corporation's pre-1987 section 964(a) E&P accumulated since 1962 and not previously distributed or deemed distributed. These amounts are figured in U.S. dollars using the rules of Regulations section 1.964-1(a) through (d), and translated into the foreign corporation's

functional currency according to Notice 88-70, 1988-2 C.B. 369.

Column (d)

Use column (d) to report hovering deficits (see section 381(c)(2)(B) and Regulations section 1.367(b)-7) and suspended taxes (see section 909). See *Specific Instructions Related to Lines 1 Through 13*, later, for additional information pertaining to reporting amounts in column (d).

Column (e)

Use column (e) to report the running balance of the foreign corporation's PTEP, section 964(a) E&P accumulated since 1962 that have resulted in deemed inclusions under subpart F, or amounts treated as PTEP under section 965(b)(4)(A). Pre-1987 U.S. dollar PTEP should be translated into the foreign corporation's functional currency using the rules of Notice 88-70 and added to post-1986 amounts in the appropriate PTEP group.

- Columns (e)(i) and (e)(ii) are PTEP originally attributable to inclusions under section 965(a) and E&P treated as PTEP under section 965(b)(4)(A), respectively, and reclassified as investments in U.S. property (section 959(c)(1) amounts).
- Column (e)(iii) is PTEP described in the following three subgroups (which are aggregated into a single PTEP group) (section 959(c)(1) amounts).

1. PTEP attributable to investments in U.S. property and not by reason of reclassification.
2. PTEP attributable to inclusions under section 951(a)(1)(A) (other than inclusions under section 951(a)(1)(A) described in the instructions for columns (e)(vi) through (ix)) and reclassified as investments in U.S. property (for example, PTEP attributable to subpart F income inclusions and reclassified as investments in U.S. property).

3. PTEP attributable to inclusions under former section 951(a)(1)(C) and subpart F income inclusions reclassified as investments in excess passive assets.

- Column (e)(iv) is PTEP originally attributable to inclusions under section 951A and reclassified as investments in U.S. property (section 959(c)(1) amounts).
- Column (e)(v) is PTEP described in the following three subgroups (which are aggregated into a single PTEP group) (section 959(c)(1) amounts).

1. PTEP attributable to hybrid dividends under section 245A(e)(2) and reclassified as investments in U.S. property.
 2. PTEP attributable to section 1248 amounts under section 959(e) and reclassified as investments in U.S. property.
 3. PTEP attributable to section 1248 amounts from the gain on the sale of foreign corporation stock by a CFC and reclassified as investments in U.S. property.
- Column (e)(vi) is PTEP attributable to section 965(a) inclusions (section 959(c)(2) amounts). Do not include in column (e)(vi) E&P reported in column (e)(vii).
 - Column (e)(vii) is E&P treated as PTEP under section 965(b)(4)(A) (section 959(c)(2) amounts).

- Column (e)(viii) is PTEP attributable to section 951A inclusions (section 959(c)(2) amounts).
- Column (e)(ix) is PTEP described in the following three subgroups (which are aggregated into a single PTEP group) (section 959(c)(2) amounts).

1. PTEP attributable to hybrid dividends under section 245A(e)(2).
 2. PTEP attributable to section 1248 amounts under section 959(e).
 3. PTEP attributable to section 1248 amounts from the gain on the sale of foreign corporation stock by a CFC.
- Column (x) is PTEP attributable to section 951(a)(1)(A) inclusions (section 959(c)(2) amounts) not otherwise described in the instructions for columns (e)(vi) through (ix).

Schedule J reports PTEP by subgroups because those groups may be subject to different rules under sections 960, 965(g), 245A(e)(3), and 986(c). The different rules are applicable for individuals, as well as corporations, estates, and trusts. For example, an individual U.S. shareholder who receives a distribution of PTEP originally attributable to inclusions under section 965(a) may only claim a credit for a portion of the foreign taxes attributable to a distribution of such PTEP. See section 965(g) and Regulations section 1.965-5 for more information. This is the case for both direct foreign tax credits (that is, those foreign taxes paid or accrued directly by the shareholder upon receipt of the PTEP distribution and allowed as a credit under section 901 or 903) and indirect foreign tax credits (that is, those taxes deemed paid by the shareholder with respect to taxes originally paid or accrued by the CFC under section 960(b)). With respect to direct credits, this reduction applies regardless of whether such individual made an election under section 962. Therefore, the reporting on Schedule J is necessary regardless of whether the U.S. shareholder made a section 962 election.

Column (f)

Use column (f) to report the opening and closing balances of the foreign corporation's accumulated E&P. This amount is the sum of post-2017 E&P not previously taxed, post-1986 undistributed earnings, pre-1987 E&P not previously taxed, and PTEP. Do not include column (d) amounts in the total reported in column (f).

Specific Instructions Related to Lines 1 Through 13

Line 1a. Enter the balances for each column at the beginning of the tax year. These balances should equal the amounts reported as the ending balances in the prior year Schedule J.

Line 1b. If there is a difference between last year's ending balance on Schedule J and the amount that should be last year's ending balance, taking into account modifications on Schedule J, include the difference on line 1b and attach an explanation for the difference. If there are multiple reasons for differences, include the explanation and amount of each such difference on the attachment. Do not include adjustments required to be reported on line 6 or 12.

Lines 1a through 1c. These lines of column (d) account for the balance of prior year hovering deficits and suspended taxes that have not yet been deducted. Such amounts are reported as negative numbers.

Line 2a. This line of column (d) is the unsuspended taxes under section 909 as a result of related income taken into account by the foreign corporation, certain U.S. corporate owners of the foreign corporation, or a member of such U.S. corporate owner's consolidated group. Report the unsuspended taxes on line 2a of column (d) as a positive number. Report the unsuspended taxes as negative numbers on line 2a of column (a), (b), (c), or (e), as applicable.

Line 2b. This line of column (d) accounts for foreign income taxes that are suspended in the current tax year. Report such amounts as negative numbers.

Line 3. Enter the current year E&P (or deficit in E&P) amount from the applicable line 5c of Schedule H (Form 5471). For example, if you are completing Schedule J for the passive category (that is, you have entered "PAS" on line a at the top of page 1 of Schedule J), enter the current year E&P (or deficit in E&P) amount from Schedule H (Form 5471), line 5c(ii), in the applicable column. Line 3 should never have an amount entered in column (e).

Line 4. Report as a positive number E&P attributable to distributions of PTEP from lower-tier foreign corporations. Generally, the E&P of a CFC attributable to amounts that are, or have been, included in the gross income of a U.S. shareholder under section 951(a) are not, when distributed through a chain of ownership described in section 958(a), also included in the gross income of another CFC in such chain for purposes of the application of section 951(a) to such other CFC with respect to such U.S. shareholder. See section 959(b).

Line 5a. Enter earnings carried over to a foreign surviving corporation after an acquisition by a foreign corporation of the assets of another foreign corporation in a transaction described in section 381. See Regulations section 1.367(b)-7. The amounts entered on line 5a may be negative or positive. Negative amounts are hovering deficits reported in column (d) of line 5a.

Line 5b. If the foreign surviving corporation had a deficit in E&P prior to a transaction described in section 381, such deficit is recharacterized as a hovering deficit after such nonrecognition transaction. See section 381(c)(2)(B) and Regulations section 1.367(b)-7(d)(2)(i) (post-1986 undistributed earnings) and 1.367(b)-7(e)(1) (pre-1987 E&P not previously taxed). An amount equal to the deficit reported in column (a), (b), or (c) of line 5a is included as a positive amount on line 5b of column (a), (b), or (c), respectively. An amount equal to the total hovering deficits reported on line 5b of columns (a), (b), and (c) is included as a negative number in column (d) of line 5b.

Line 6. Attach a statement detailing the nature and amount of any adjustments not accounted for in the E&P determined before reduction for distributions and inclusions (that is, adjustments other than those listed on lines 2a through 5b). Do not include amounts reported on line 1b. An example of an adjustment entered on line 6 is

the foreign taxes imposed on receipt of a distribution of PTEP from a lower-tier foreign corporation.

Example. Domestic Corporation, a U.S. shareholder, wholly owns the only class of stock of CFC1, a foreign corporation. CFC1, in turn, wholly owns the only class of stock of CFC2, a foreign corporation. CFC2, in turn, wholly owns the only class of stock of CFC3, a foreign corporation. The functional currency of Domestic Corporation, CFC1, CFC2, and CFC3 is the U.S. dollar. During Year 1, Domestic Corporation reports an inclusion under section 951(a)(1) of \$100 as a result of subpart F income of CFC3. During Year 2, CFC3 distributes \$40 to CFC2. CFC2 pays withholding tax of \$4 on the distribution from CFC3. Such tax is related to previously taxed subpart F income. Domestic Corporation reports on CFC2's Form 5471, Schedule J, line 4, column (e)(x), as a positive number, the \$40 PTEP distribution. Domestic Corporation reports on line 6, column (e)(x), as a negative number, the \$4 of tax on the PTEP distribution.

Line 7. Enter on line 7 E&P as of the close of the tax year before actual distributions or inclusions under section 951(a)(1) or section 951A during the year.

Line 8. Enter amounts included in gross income of the U.S. shareholder(s) under section 951(a)(1)(A) or section 951A with respect to the CFC. Report the inclusion as a negative amount in columns (a) through (c), as applicable. Report the inclusion as a positive amount in columns (e) (vi) through (e)(x), as applicable. Amounts reported as positive numbers on line 8 of column (e)(viii) should only be reported with respect to negative amounts on line 8 of column (a). The negative amounts could be reported on a different Schedule J than the positive amounts if such amounts are reclassified from one separate category to another separate category.

Note. Section 951(a)(1)(A) inclusions are taken into account for the tax year before actual distributions and section 951(a)(1)(B) inclusions. See section 959.

Note. The amount included in gross income of U.S. shareholders of the CFC under section 951A might not be known if there is more than one U.S. shareholder. In that case, see the example in the instructions for Schedule P for reporting information.

Note. The amount reported in column (e)(viii) on line 8 will not necessarily equal the tested income reported on Schedule I-1. For an example of when this might occur, see Regulations section 1.951A-5(b)(2)(ii).

Line 9. Report actual distributions as negative numbers.

Note. Actual distributions are taken into account for the tax year before section 951(a)(1)(B) inclusions. See section 959(f)(2). An actual distribution is first out of PTEP, if any, and then out of the section 959(c)(3) balance. See section 959(c).

Note. The total of all amounts entered in Schedule R (Form 5471), column (d), must equal the amount on line 9, column (f), of the Schedule J (Form 5471) that is filed, or if more than one Schedule J (Form 5471) is filed, the Schedule J (Form 5471) with code "TOTAL" entered on line a of that Schedule J.

Line 10. Use line 10 to report reclassifications of section 959(c)(2) PTEP in columns (e)(vi) through (e)(x) to section 959(c)(1) PTEP in columns (e)(i) through (e)(v). A potential section 951(a)(1)(B) inclusion results in a reclassification of section 959(c)(2) PTEP, if any, to section 959(c)(1) PTEP before reclassification out of the section 959(c)(3) E&P balance. See section 959(a)(2) and (f)(1). The amounts reclassified are reported as negative numbers in columns (e)(vi) through (e)(x) and positive numbers in columns (e)(i) through (e)(v), as applicable.

Line 11. Use this line to report E&P not previously taxed, which is treated as earnings invested in U.S. property and, therefore, reclassified to section 959(c)(1) PTEP (column (e)(iii)). The amounts reclassified are reported as negative numbers in columns (a) through (c) and positive numbers in column (e)(iii), as applicable.

Line 12. Attach a statement detailing the nature and amount of any adjustments in E&P not accounted for on lines 8 through 11. Do not include adjustments required to be reported on line 1b or line 6.

Line 13. The hovering deficit offset included in column (d) is reported as a positive number. The same amount entered in column (d) is reported as a negative number on line 13 of column (a) or (b), as appropriate. See section 381(c)(2)(B) and Regulations section 1.367(b)-7(d)(2)(ii).

Schedule M

Every U.S. person described in Category 4 must file Schedule M to report the transactions that occurred during the foreign corporation's annual accounting period ending with or within the U.S. person's tax year.

If a U.S. corporation that owns stock in a foreign corporation is a member of a consolidated group, list the common parent as the U.S. person filing Schedule M.

Important. In translating the amounts from functional currency to U.S. dollars, use the average exchange rate for the foreign corporation's tax year. See section 989(b). Report the exchange rate in the entry space provided at the top of Schedule M using the "divide-by convention" specified under [Reporting exchange rates on Form 5471](#), earlier.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. Use the reference ID number shown on Form 5471, page 1, item 1b(2).

Lines 4 and 19. Report on these lines platform contribution transaction payments received and paid by the foreign corporation (without giving effect to any netting of payments). See Regulations section 1.482-7(b)(1)(ii).

Lines 5 and 20. Report on these lines cost sharing transaction payments received and paid by the foreign corporation (without giving effect to any netting of payments). See Regulations section 1.482-7(b)(1)(i). The

corporation is required to complete line 5 only if the corporation itself incurred intangible development costs. If the corporation does not itself incur intangible development costs, then it should only report cost sharing transaction payments made on line 20.

Lines 9 and 24. Report on line 9 the sum of tiered hybrid dividends received by the foreign corporation during its tax year. Report on line 24 the sum of hybrid dividends or tiered hybrid dividends paid by the foreign corporation during its tax year.

Lines 10 and 25. Report on these lines dividends received and paid by the foreign corporation not previously taxed under subpart F in the current year or in any prior year.

Lines 13 and 28. Report on these lines loan guarantee fees received (line 13) and loan guarantee fees paid (line 28). See section 482.

Lines 14 and 29. Report on these lines "other amounts received" (line 14) and "other amounts paid" (line 29).

If an amount is entered on line 14, you must attach a statement that includes the following information. Column (a) of the attached statement should provide a description of the type of other amounts received during the annual accounting period. Columns (b) through (f) should provide dollar amounts of the specified other amounts received during the annual accounting period by the foreign corporation from the persons listed in the headings for columns (b) through (f). These headings must comport to those used on the Schedule M (Form 5471) to which this statement is attached. The attached statement must include a "totals" line that ties into the amounts reported in each column of line 14.

If an amount is entered on line 29, you must attach a statement that includes the following information. Column (a) of the attached statement should provide a description of the type of other amount paid during the annual accounting period. Columns (b) through (f) should provide dollar amounts of the specified other amounts paid during the annual accounting period by the foreign corporation to the persons listed in the headings for columns (b) through (f). These headings must comport to those used on the Schedule M (Form 5471) to which this statement is attached. The attached statement must include a "totals" line that ties into the amounts reported in each column of line 29.

Lines 31 and 33. Report on these lines the largest aggregate outstanding accounts receivable and payable balances during the year with the related parties described in columns (b) through (f). Report only accounts receivable or payable arising in connection with the provision of services or the sale or processing of property. Only net accounts receivable and payable to the extent that the CFC's books net the accounts payable against the receivable as payment of the accounts receivable.

Lines 32 and 34. Report on these lines the largest outstanding balances during the year of gross amounts borrowed from, and gross amounts loaned to, the related parties described in columns (b) through (f). Do not enter aggregate cash flows, year-end loan balances, average balances, or net balances. Do not include an account

receivable or payable balance arising in connection with the provision of services or the sale or processing of property if the amount of such balance does not, at any time during the tax year, exceed what is ordinary and necessary to carry on the trade or business. Any outstanding balance from these transactions should be reported on the Balance Sheet (Form 5471, Schedule F, page 4) and possibly also on Schedule M, lines 31 and 33.

Accrued payments and receipts. A corporation that uses an accrual method of accounting must use accrued payments and accrued receipts for purposes of computing the total amount to enter on each line of Schedule M.

Schedule O

Schedule O is used to report the organization or reorganization of a foreign corporation and the acquisition or disposition of its stock.

Every U.S. citizen or resident described in Category 2 must complete Part I. Every U.S. person described in Category 3 must complete Part II.

See Regulations section 1.6046-1(i) for rules on determining when U.S. persons constructively own stock of a foreign corporation and are therefore subject to the section 6046 filing requirements.

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for “Name of person filing Form 5471.”

Reference ID number of foreign corporation. Use the reference ID number shown on Form 5471, page 1, item 1b(2).

Part I

Column (d). Enter the date the shareholder first acquired 10% or more (in value or voting power) of the outstanding stock of the foreign corporation.

Column (e). Enter the date the shareholder acquired (whether in one or more transactions) an additional 10% or more (in value or voting power) of the outstanding stock of the foreign corporation.

Part II

Section A—General Shareholder Information

If the shareholder's latest tax return was filed electronically, enter “e-filed” in column (b)(3) instead of a service center.

Section C—Acquisition of Stock

Section C is completed by shareholders who are completing Schedule O because they have acquired sufficient stock in a foreign corporation. If the shareholder acquired the stock in more than one transaction, use a separate line to report each transaction.

Column (d). Enter the method of acquisition (for example, purchase, gift, bequest, trade).

Column (e)(2). Enter the number of shares acquired indirectly (within the meaning of section 958(a)(2)) by the shareholder listed in column (a).

Column (e)(3). Enter the number of shares constructively owned (within the meaning of section 958(b)) by the shareholder listed in column (a).

Section D—Disposition of Stock

Section D must be completed by shareholders who dispose of their interest (in whole or in part) in a foreign corporation.

Column (d). Enter the method of disposition (for example, sale, bequest, gift, trade).

Example. In 1999, Alex, a U.S. citizen, purchased 10,000 shares of common stock of foreign corporation X. The purchase represented 10% ownership of the foreign corporation.

On July 1, 2023, Alex made a gift of 5,000 shares of foreign corporation X to his child. Because Alex has reduced his holding in the foreign corporation, he is required to complete Form 5471 and Schedule O. To show the required information about the disposition, Alex completes Section D as follows.

- Enters his name in column (a).
- Enters “common” in column (b).
- Enters “July 1, 2023” in column (c).
- Enters “gift” in column (d).
- Enters “5,000” in column (e)(1).
- Enters “-0-” in column (f) because the disposition was by gift.
- Enters the name and address of his child in column (g).

Section F—Additional Information

Item (b). List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock. If there is more than one such date, use the most recent date. However, do not enter a date for which information was reported in Section E. Instead, enter the date (if any) of any reorganization prior to that date (if it is within the last 4 years).

Example for item (c). Mr. Lyons, a U.S. person, acquires a 10% ownership in foreign corporation F. F is the 100% owner of two foreign corporations, FI and FJ. F is also a 50% owner of foreign corporation FK. In addition, F is 90% owned by foreign corporation W. Mr. Lyons does not own any of the stock of corporation W.

Mr. Lyons completes and files Form 5471 and Schedule O for the corporations in which he is a 10%-or-more shareholder. Mr. Lyons is also required to submit a chart if the foreign corporation is a member of a chain of corporations, and to indicate if he is a 10%-or-more shareholder in any of those corporations.

Mr. Lyons would prepare a list showing the corporations as follows.

- Corporation W.
- Corporation F.
- Corporation FI.

- Corporation FJ.
- Corporation FK.

Then Mr. Lyons is required to indicate that he is a 10%-or-more shareholder in corporations F, FI, and FJ.

Schedule P

Use Schedule P to report the PTEP in the U.S. shareholder's annual PTEP accounts with respect to a CFC in the CFC's functional currency (Part I) and the U.S. shareholder's U.S. dollar basis in that PTEP (Part II). For purposes of the preceding sentence, a CFC includes an SFC that is only treated as a CFC for limited purposes under section 965(e)(2).

Note. A separate Schedule P must be completed by each Category 1a, 1b, 4, 5a, or 5b filer. Any person that qualifies as a Category 1a, 1b, 4, 5a, or 5b filer, but who is not filing Form 5471 pursuant to the joint filers exception, must complete Schedule P and attach it to the statement attached to their tax return. See [Multiple filers of same information](#) for additional information pertaining to the joint filers exception.

If a U.S. shareholder wholly owns the CFC, Schedule P should include the same information reported on Schedule J, Part I, column (e). If there is more than one U.S. shareholder, the amounts reported on Schedule P with respect to each U.S. shareholder might be different from the amounts reported on Schedule J.

Example. Corporation A, a domestic corporation, owns 50% of the only class of stock of CFC1, and Corporation B, a domestic corporation, owns the remaining 50% of the stock of CFC1. Corporation A wholly owns the only class of stock of CFC2. The functional currency of all corporations is the U.S. dollar. CFC1 has tested income of \$100x and CFC2 has tested loss of \$30x. See section 951A(c)(2). Neither Corporation A nor Corporation B has any net deemed tangible income return that would reduce the GILTI inclusion of Corporation A or B. Corporation A has a section 951A inclusion of \$20 because its pro rata share of CFC1's tested income (\$50x) is offset by its pro rata share of CFC2's tested loss (\$30x). Corporation B has a section 951A inclusion of \$50x. On Schedule P of the Form 5471 with respect to CFC1 filed by Corporation B, Corporation B will report on line 7, column (h), \$50x of PTEP as a result of its section 951A inclusion with respect to CFC1. Corporation A will report \$20x of PTEP as a result of its section 951A inclusion on its Form 5471, Schedule P, line 7, column (h), with respect to CFC1.

The Form 5471, Schedule J, for CFC1 should include PTEP of \$70x with respect to the aggregate section 951A inclusions of Corporation A and Corporation B. However, if Corporation A does not know Corporation B's section 951A inclusion at the time Corporation A files its Form 5471, Corporation A will only be able to complete Schedule J, Part I, with respect to its PTEP of \$20x on line 8, column (e)(viii). Similarly, Corporation B will only be able to complete Schedule J, Part I, with respect to its PTEP of \$50x on line 8, column (e)(viii). In the following year, Corporation A and Corporation B should each report the other corporation's PTEP on Schedule J, Part I, line 1b, column (e)(viii), and the corresponding reduction

to CFC1's E&P described in section 959(c)(3) on Schedule J, Part I, line 1b, column (a).

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Lines a and b. Complete a separate Schedule P for each applicable separate category of income. Enter the appropriate code on line a (at the top of page 1 of Schedule P). To determine the appropriate code, see *Categories of Income* in the Instructions for Form 1118.

A foreign corporation may have PTEP in a PTEP group within any of the separate categories of income, with the exception of foreign branch category income. See Regulations section 1.960-3(c)(1).

If code 901j is entered on line a, enter on line b the country code for the sanctioned country using the two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)).

Note. A separate Schedule P should not be completed for the section 951A category. Reclassified section 951A PTEP and section 951A PTEP that is in the section 951A category should be reported on the Schedule P completed for the general category.

Note. For purposes of this Schedule P, include in each separate category of income, foreign source and U.S. source income.

Important. In addition to the separate category codes referred to above, if you have more than one of the categories of income referred to above, you must complete and file a separate Schedule P using code "TOTAL" that aggregates all amounts listed for each line and column of all other Schedules P.

Part I

Enter amounts in the functional currency of the foreign corporation as reported on Form 5471, page 1, [item 1h](#).

Pre-1987 U.S. dollar PTEP should be translated into the foreign corporation's functional currency using the rules of Notice 88-70 and added to post-1986 amounts in the appropriate PTEP category.

Part II

Dollar basis. Enter amounts in U.S. dollars. The U.S. shareholder's U.S. dollar basis in PTEP is generally equal to the U.S. dollar amount of E&P that the U.S. shareholder previously included in gross income. See section 989(b)(1) and (3); and Regulations sections 1.951A-1(d)(1) and 1.965-1(b)(1) and (2).

The U.S. shareholder's U.S. dollar basis is used by the U.S. shareholder to determine the amount of foreign currency gain or loss on the PTEP that the U.S. shareholder is required to recognize under section 986(c).

Columns (a) through (k). Use columns (a) through (k) to report the opening balance of, current year additions and subtractions to, and the closing balance of, the PTEP in the U.S. shareholder's annual PTEP accounts with respect to a CFC.

Columns (a) through (j) of Schedule P correspond to Schedule J, columns (e)(i) through (e)(x). See [Schedule J](#), earlier, for specific line instructions.

Line 1b. If there is a difference between last year's ending balance on Schedule P and the amount that should be last year's ending balance, taking into account modifications on Schedule P, include the difference on line 1b and attach an explanation for the difference. If there are multiple differences, include the explanation and amount of each such difference on the attachment.

Schedule Q

Use Schedule Q to report the CFC's income, deductions, taxes, and assets by CFC income groups for purposes of section 960(a) and (d).

In general, a taxpayer that is subject to tax as a domestic corporation that is a U.S. shareholder ("corporate U.S. shareholder") of a CFC is deemed to pay all or a portion of the foreign income taxes paid or accrued by the CFC that are properly attributable to subpart F income or tested income included in gross income by the corporate U.S. shareholder. See section 960(a) and (d). A corporate U.S. shareholder may claim a credit for such foreign taxes, subject to certain limitations.

Note. If an individual, estate, or trust that is a U.S. shareholder of a CFC makes an election under section 962 ("962 electing shareholder"), any inclusions under section 951 or 951A of the U.S. shareholder will be treated as received by a corporate U.S. shareholder for purposes of section 960. See section 962(b) and Regulations section 1.962-2(b). As a result, these U.S. shareholders may also claim a foreign tax credit for foreign income taxes deemed paid with respect to such inclusions. See sections 962(a)(1) and 951A(f)(1)(A).

Note. See also section 1293(f) for inclusions with respect to a PFIC.

To calculate the foreign taxes deemed paid by the corporate U.S. shareholder (including a 962 electing shareholder), determine for each of its CFCs the income, deductions, and taxes that are assigned to each separate category of income and each income group within each separate category. See Regulations section 1.960-1(c)(1). The income groups include the subpart F income groups, the tested income group, and the residual income group.

Computer-Generated Schedule Q

Expand the Schedule Q if you are reporting with respect to more than two units. Specifically, if you are reporting with respect to more than two units, add to pages 1 to 4, as appropriate, new lines (3), (4), (5), etc., in all necessary locations.

Specific Instructions for Schedule Q

Name of person filing Form 5471. The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID number of foreign corporation. If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Line A. Complete a separate Schedule Q for each applicable separate category of income. Enter the appropriate code from the table below for the separate category of income with respect to which the Schedule Q is being completed.

Codes for Categories of Income

Code	Category of Income
PAS	Passive category income
901j	Section 901(j) income
GEN	General category income

If code 901j is entered on line A, enter on line 1m, column (i), the country code for the sanctioned country using the two-letter code (from the list at [IRS.gov/CountryCodes](#)).

Important. In addition to the separate category codes referred to above, if you have more than one of the categories of income referred to above, you must complete and file a separate Schedule Q using code "TOTAL" that aggregates all amounts listed for each line and column in all other Schedules Q.

Line B. If category code "PAS" is entered on line A, a separate Schedule Q must be completed for each applicable grouping under Regulations section 1.904-4(c)(3). See Regulations sections 1.954-1(c)(1)(iii)(B) and 1.904-4(c)(3) through (5). Enter on line B the appropriate code from the table below for each of the following groups under Regulations section 1.904-4(c)(3).

Codes for Passive Groups

Code	Passive Group
i	All passive income received during the tax year that is subject to a withholding tax of 15% or greater must be treated as one item of income. See Regulations section 1.904-4(c)(3)(i).
ii	All passive income received during the tax year that is subject to a withholding tax of less than 15% (but greater than zero) must be treated as one item of income. See Regulations section 1.904-4(c)(3)(ii).
iii	All passive income received during the tax year that is subject to no withholding tax or other foreign tax must be treated as one item of income. See Regulations section 1.904-4(c)(3)(iii).
iv	All passive income received during the tax year that is subject to no withholding tax but is subject to foreign tax other than a withholding tax must be treated as one item of income. See Regulations section 1.904-4(c)(3)(iv).

Note. The grouping rules of Regulations section 1.904-4(c)(3)(i) through (iv) apply separately to income attributable to each tested unit of a CFC. See Regulations section 1.904-4(c)(4). This is one reason that, in the case of a CFC, tested-unit-by-tested-unit reporting is required with respect to the income groups on lines 1a through 1j and lines 3 and 4. A foreign corporation that is not a CFC but that is a noncontrolled 10%-owned foreign corporation must report this information on a foreign-QBU-by-foreign-QBU basis. This would be the case, for example, if you are completing Schedule Q for purposes of attaching it to Schedules K-2 and K-3 for purposes of section 1293(f).

To figure the amounts to enter on lines 1a through 1j, on lines (1), (2), etc., under each line 1a through 1j, enter the name of each unit of the foreign corporation (the relevant unit being each tested unit in the case of a CFC and each QBU in the case of a 10%-owned foreign corporation), including the foreign corporation itself, and the information required in each column (i) through (xvi) with respect to the amount in each subpart F income group within each category for each unit.

On lines (1), (2), etc., under line 4, enter the name of each unit and enter the information required for columns (i) through (xvi) for each unit, but do not enter amounts excluded from subpart F income under the subpart F high-tax exception (those amounts are reported on lines (1), (2), etc., under lines 1a through 1j) or tested income under the GILTI high-tax exclusion (those amounts are reported on lines (1), (2), etc., under line 3).

Line C. If code 901j is entered on line A, enter the country code for the sanctioned country using the two-letter code from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes).

Line D. Taxpayers are generally required to complete a separate Schedule Q for foreign source income in each separate category and U.S. source income in each separate category. On a given Schedule Q, taxpayers are generally required to check the box for either foreign source income or U.S. source income, as applicable. However, if a taxpayer has entered code "TOTAL" on line A and the total reported on that Schedule Q includes both

foreign source income and U.S. source income, the taxpayer may check both boxes on line D.

Line E. A separate Schedule Q is required for foreign oil and gas extraction income (FOGEI) and foreign oil related income (FORI). If the Schedule Q is being prepared to report the FOGEI or FORI of a CFC, check the box for line E. Indicate the amount of FOGEI and FORI in each income group.

Line 1. Subpart F Income Groups

The separate subpart F income groups within each applicable section 904 category of a CFC are on line 1 ("subpart F income groups"). See Regulations section 1.960-1(d)(2)(ii)(B). Each single item of foreign base company income (as defined in Regulations section 1.954-1(c)(1)(iii)) is a separate subpart F income group. With respect to a CFC, Regulations section 1.954-1(c)(1)(iii)(A)(2) identifies as a single item of income all foreign base company income (other than foreign personal holding company income) that falls within both a single separate category (typically, general category income) and a single category of foreign base company income described in each of Regulations section 1.954-1(c)(1)(iii)(A)(2)(i) through (v). For example, with respect to line 1g, there is a single subpart F income group within the general category that consists of all of a CFC's foreign base company sales income.

Use lines 1a through 1f to enter the passive category foreign personal holding company income of the CFC under the appropriate income group (dividends, interest, rents, royalties, and annuities; net gain from certain property transactions; net gain from commodities transactions; net foreign currency gain; income equivalent to interest; and other passive category foreign personal holding company income of the CFC), each of which is also treated as a separate subpart F income group under Regulations section 1.960-1. See Regulations section 1.954-1(c)(1)(iii)(B).

Note. Enter the following passive category foreign personal holding company income of the CFC on line 1f (other foreign personal holding company income).

- Income from notional principal contracts.
- Payments in lieu of dividends.
- Personal service contracts.

See section 954(c)(1)(F) through (H).

Attach a statement that includes all of the information requested by Schedule Q, line 1f, delineating the amount on line 1f for each of the three groups reporting on line 1f. For example, if both payments in lieu of dividends and income from notional principal contracts are included on line 1f, on the statement, identify the amount related to each of those income groups for each column of line 1f.

Use lines 1g through 1j to enter the foreign base company sales income, foreign base company services income, full inclusion income, and insurance income described in section 952(a)(1) of the CFC.

To figure the amounts to enter on lines 1a through 1j, on lines (1), (2), etc., under each line 1a through 1j, enter the name of each QBU of the CFC, including the CFC itself, and the information required in each column (i) through (xvi) with respect to the amount in each subpart F income

group within each category for each QBU. On lines 1a through 1j, enter the total for each column by adding the amounts on lines (1), (2), etc., excluding from such total any amounts reported with respect to income excluded from subpart F income under the high-tax exception in section 954(b)(4) ("subpart F high-tax exception"). These amounts are included in the total amount of residual income, which is reported on line 4. As a result, the amounts included on lines 1a through 1j for each column may not equal the sum of the amounts reported on lines (1), (2), etc., for each column because any item excluded from subpart F income by reason of the high-tax election is included in the summation on line 4 instead of the summations on lines 1a through 1j. See the instructions for column (xiv) and line 4.

Example. For line 1a(1), gross income of \$50 is reported in column (ii), foreign tax of \$20 is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is checked. For line 1a(2), gross income of \$100 is reported in column (ii), \$5 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is not checked. For line 1a(3), gross income of \$75 is reported in column (ii), \$3 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is not checked. As a result, the amount reported in column (ii) on line 1a is the sum of the amounts reported in column (ii) on lines 1a(2) and 1a(3), which is equal to \$175 (\$100 + \$75). The amounts reported in columns (x) and (xii) on line 1a are the sum of the amounts reported in each column on lines 1a(2) and 1a(3), which is equal to \$8 (\$5 + \$3). The items reported on line 1a(1), gross income of \$50 and \$20 of foreign tax, are not included in the totals reported on line 1a. These amounts are included in the totals for each respective column on line 4. As a result, the amount reported on line 4, column (ii), is increased by \$50 and the amount reported in column (x) on line 4 is increased by \$20. No amount is reported on line 4, column (xii), because foreign income taxes attributable to high-tax exception or high-tax exclusion income are not creditable.

On lines 1k through 1m, enter international boycott income described in section 952(a)(3); illegal bribes, kickbacks, and other payments described in section 952(a)(4); and income included in a section 901(j) separate category described in section 952(a)(5). See Regulations section 1.960-1(d)(2)(ii)(B)(2).

Line 2. Recaptured Subpart F Income

Enter income that is recaptured as subpart F income in the current year. See section 952(c)(2).

Line 3. Tested Income Group

Use line 3 to report tested income in the tested income group of the CFC (a "tested income group"). See Regulations section 1.960-1(d)(2)(ii)(C). On lines (1), (2), etc., under line 3, enter the name of each tested unit of the CFC (including the CFC tested unit itself) and enter for each tested unit the information required in columns (ii) through (xvi), based on the tentative gross tested income attributable to each tested unit (without regard to any amounts excluded under the GILTI high-tax exclusion in Regulations section 1.951A-2(c)(7) ("GILTI high-tax exclusion")). If the GILTI high-tax exclusion applies with

respect to any tested unit of the CFC, include the amounts reported for columns (ii) through (xiii) and (xvi) in the total reported on line 4. See the instructions for line 4. As a result, the total amount entered on line 3 may not equal the sum of the amounts reported in columns (ii) through (xiii) and (xvi) on lines 3(1), 3(2), etc., if any tested unit's tentative tested income is excluded under the GILTI high-tax exclusion (these amounts are included in the total amounts reported on line 4). In general, tested income will be in a single tested income group within the general category. Because a CFC cannot earn section 951A category income or foreign branch category income at the CFC level, there is no tested income group within either section 904 category. With respect to the general category tested income group of a CFC, GILTI inclusion amounts and taxes with respect to the tested income group will generally be treated as income and deemed paid taxes in the section 951A category. See Regulations sections 1.904-4(g) and 1.904-6(e).

Line 4. Residual Income Group

Use line 4 to report the information required in columns (i) through (xvi) that is in a section 904 category but that is not of a type that is included in one of the subpart F income groups or a tested income group and is therefore assigned to the residual income group. See Regulations section 1.960-1(d)(2)(ii)(D). Enter the name of each QBU and enter the information required for columns (i) through (xvi) for each QBU on lines 4(1), 4(2), etc., but do not enter amounts excluded from subpart F income under the subpart F high-tax exception (those amounts are reported on lines (1), (2), etc., under lines 1a through 1j) or tested income under the GILTI high-tax exclusion (those amounts are reported on lines 3(1), 3(2), etc.). Enter the sum of the amounts reported on lines 4(1), 4(2), etc., plus the sum of amounts excluded from subpart F income under the subpart F high-tax exception and tested income under the GILTI high-tax exclusion, in the appropriate column on line 4.

Example. For line 1a(1), \$100 of gross income is reported in column (ii), \$35 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is checked. For line 1a(2), \$75 of gross income is reported in column (ii), \$5 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is not checked. For line 3(1), \$200 of gross income is reported in column (ii), \$70 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is checked. For line 3(2), \$150 of gross income is reported in column (ii), \$10 of foreign tax is reported in each of columns (x) and (xii), and the checkbox in column (xiv) is not checked. For line 4(1), \$300 of gross income is reported in column (ii) and \$105 of foreign tax is reported in column (x). On line 4(1), both columns (xii) and (xiv) should be blank in all cases. As a result, the amount reported on line 4 for column (ii) is the sum of the amounts reported in column (ii) on lines 1a(1), 3(1), and 4(1), which equals \$600 (\$100 + \$200 + \$300). The amount reported in column (x) of line 4 is the sum of the amounts reported in column (x) on lines 1a(1), 3(1), and 4(1), which equals \$210 (\$35 + \$70 + \$105). On line 4, column (xii) should be blank because foreign tax on residual amounts is not creditable. The amounts reported on line 1a(1) would not

be included in the total for line 1a, but the amount reported on line 1a(2) would be included in the total reported on line 1a. Similarly, the amounts reported on line 3(1) would not be included in the total reported on line 3, but the amounts reported on line 3(2) would be reported in the total reported on line 3.

Column (i). Consistent with the reporting requirement on Form 1118, enter the two-letter code (from the list at [IRS.gov/CountryCodes](https://www.irs.gov/CountryCodes)) of each foreign country and U.S. territory within which income is sourced and/or to which taxes were paid or accrued.

Column (ii). Enter the amount of gross income of the CFC that is assigned to each income group within each section 904 category.

Columns (iii) through (vii). Expenses. Deductions of the CFC, including for current year taxes, are allocated and apportioned to the income groups to determine net income (or loss) in each income group and to identify the current year foreign income taxes that relate to the income in each income group for section 960 purposes. See Regulations section 1.960-1(c)(1) and 1.960-1(d)(3)(ii). Enter the expenses allocated and apportioned to the item of gross income reported for each QBU or tested unit as well as the aggregate amount of such expenses allocated and apportioned to each group. See the instructions for lines 1 through 4.

Column (viii). Current year tax on reattributed income from disregarded payments. This column is used to report current year tax imposed solely by reason of the receipt of a disregarded payment that is a reattribution payment. The current year tax is allocated and apportioned to the income group to which an amount of gross income is assigned by reason of the receipt of the reattribution payment. See Regulations sections 1.960-1(d)(3)(ii)(A) and 1.861-20(d)(3)(v)(B). Report current year taxes allocated and apportioned to the item of gross income reported for each QBU or tested unit as well as the aggregate amount of such foreign taxes in each group. See the instructions for lines 1 through 4.

Column (ix). Current year tax on all other disregarded payments. This column is used to report current tax imposed solely by reason of the receipt of a disregarded payment other than a reattribution payment, and which is therefore either a remittance or a contribution. See Regulations section 1.861-20(d)(3)(v)(C). Foreign tax imposed by reason of a disregarded payment that is a remittance is assigned to the income groups based upon the assets of the payor. See Regulations section 1.861-20(d)(3)(v)(C)(1). Foreign tax imposed by reason of a disregarded payment that is a contribution is assigned to the residual grouping. See Regulations section 1.861-20(d)(3)(v)(C)(2). Report current year taxes allocated and apportioned to the item of gross income reported for each QBU or tested unit as well as the aggregate amount of such foreign taxes allocated and apportioned to each group. See the instructions for lines 1 through 4.

Column (x). Other current year taxes. Any other current year tax is allocated and apportioned among the section 904 categories under the rules of Regulations section 1.904-6(a) based on the portion of the foreign

taxable income (as characterized under federal income tax principles) that is assigned to a particular section 904 category. Any other current year foreign tax is allocated to the CFC income group to which the items of foreign gross income are assigned under the rules of Regulations section 1.861-20. Report current year taxes allocated and apportioned to the item of gross income reported for each QBU or tested unit as well as the aggregate amount of such foreign taxes allocated and apportioned to each group. See the instructions for lines 1 through 4.

Column (xii). Foreign taxes for which credit is allowed (U.S. dollars). The amount reported in column (xii) may not be the same as the sum of the amounts in columns (viii) through (x) if columns (viii) through (x) include taxes that are not creditable, including taxes paid or accrued to sanctioned countries; foreign taxes disallowed under section 901(k), (m), and (l); and taxes paid or accrued to the United States.

Column (xiii). Average asset value. Foreign gross income that arises from a disregarded payment that is treated as a remittance for U.S. tax purposes is assigned to an income group by reference to the income groups to which the assets of the payor taxable unit are assigned (or would be assigned if the taxable unit were a U.S. person) under the rules of Regulations section 1.861-9 for purposes of apportioning interest expense. This rule uses the payor's asset apportionment percentages as a proxy for the accumulated earnings of the payor taxable unit from which the remittance is made. For this purpose, the assets of the taxable unit making the remittance are determined in accordance with the rules of Regulations section 1.987-6(b) that apply in determining the source and separate category of exchange gain or loss on a section 987 remittance, as modified in two respects. See Regulations section 1.861-20(d)(3)(v)(C)(1). Report asset values for each QBU or tested unit as well as the aggregate amount of assets in each group. See the instructions for lines 1 through 4.

Column (xiv). High-tax election. Check the box in column (xiv) of the line corresponding to any item of income with respect to which the subpart F high-tax exception applies. If any amount is excluded under the subpart F high-tax exception, do not include it in the total for lines 1a through 1j, but instead add the amount to the total for line 4. See the instructions for lines 1 and 4. If a GILTI high-tax exclusion under Regulations section 1.951A-2(c)(7)(viii) is effective with respect to the CFC for the CFC inclusion year, check the box in column (xiv) that corresponds to the item(s) of income to which the exception applies. If an amount reported on line 3(1), 3(2), etc., is excluded from gross income under the GILTI high-tax exclusion, do not include it in the total amount for line 3. Instead, include the amounts in the total for line 4. See the instructions for lines 3 and 4.

Column (xv). Loss allocation. This column is used to report a reduction to subpart F income in each applicable income group when the foreign corporation's subpart F income exceeds current year E&P. See Regulations sections 1.952-1(c) and (e) and 1.951A-6.

Schedule R

Schedule R is used to report basic information pertaining to distributions from foreign corporations. This information is required by sections 245A, 959, and 986(c).

Name of Person Filing Form 5471

The name of the person filing Form 5471 is generally the name of the U.S. person described in the category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

Reference ID Number of Foreign Corporation

If applicable, use the reference ID number shown on Form 5471, page 1, item 1b(2).

Column (a). Description of distribution. The description should include whether the distribution was cash or noncash and taxable or nontaxable to shareholders. Use code sections to properly identify the taxable or nontaxable consequences of the distribution. For example, "taxable cash dividend eligible for a dividends received deduction under section 245A" or "nontaxable cash distribution of PTEP." Report parts of a distribution on separate rows if the distribution is partially taxable and partially nontaxable, or if the distribution is either taxable or nontaxable by reason of different Code sections. For example, a cash distribution of \$100 that is a nontaxable distribution of PTEP under section 959(a) of \$30, a taxable dividend eligible for a dividends received deduction under section 245A of \$15, a taxable dividend under section 301(c)(1) of \$25, a nontaxable distribution applied against basis under section 301(c)(2) of \$10, and a taxable distribution treated as gain from the sale or exchange of property under section 301(c)(3) of \$20 would be reported on five rows.

If noncash distributions were made, attach a statement and show both the tax bases and FMVs.

Column (b). Date of distribution. Enter the month, day, and year using the following format: MM-DD-YYYY. For example, June 30, 2023, would be entered as "06-30-2023."

Column (c). Amount of distribution in foreign corporation's functional currency. The amount of a

distribution is generally the amount of any money paid to the shareholder plus the FMV of any property transferred to the shareholder. However, this amount is reduced (but not below zero) by the following liabilities.

- Any liability of the corporation the shareholder assumes in connection with the distribution.
- Any liability to which the property is subject immediately before, and immediately after, the distribution.

Column (d). Amount of E&P distribution in foreign corporation's functional currency. A corporate distribution to a shareholder is generally treated as a distribution of E&P. Report distributions from current and accumulated E&P. Do not report any part of a distribution that is not from E&P in column (d).

An actual distribution is first out of PTEP, if any, and then out of the section 959(c)(3) balance. See section 959(c).

If PTEP were distributed, include on Form 5471, Schedule I, line 6, any foreign currency gain or loss on the distribution that is recognized under section 986(c). See the instructions for Schedule I, [Line 6](#), earlier, for details. With respect to foreign currency gain or loss on a distribution of PTEP, for a corporate U.S. shareholder, include the gain or (loss) as "Other income" on Form 1120, line 10, or on the comparable line of other corporate tax returns. For a noncorporate U.S. shareholder, include the result as "Other income" on Schedule 1 (Form 1040), line 8z, or on the comparable line of other noncorporate tax returns.

Note. E&P described in section 959(c)(3) is generally E&P of the foreign corporation that has not been included in gross income of a U.S. shareholder under section 951(a)(1) or section 951A.

Note. Amounts entered in Schedule R (Form 5471), column (d), are also included on line 9, column (f), of Schedule J (Form 5471) and Part I, line 8, of Schedule P (Form 5471), both of which are completed by separate category of income. If the filer is required to complete Schedule J (Form 5471) with respect to more than one category of income, the total of all amounts entered in Schedule R (Form 5471), column (d), should equal the amount entered on line 9, column (f), of the Schedule J (Form 5471) that is filed with code "TOTAL" entered on line a of that Schedule J.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return.

Principal Business Activity Codes		Using the list of activities and codes below, determine from which activity the company derives the largest percentage of its "total receipts." If the company purchases raw materials and supplies them to a subcontractor to produce the finished product, but retains title to the product, the company is considered a manufacturer and must use one of the manufacturing codes (311110-339900).		Enter on page 1, Item 1f, the six-digit code selected from the list below. In item 1g, enter a brief description of the company's business activity.			
Agriculture, Forestry, Fishing, and Hunting Crop Production 111100 Oilseed & Grain Farming 111210 Vegetable & Melon Farming (including potatoes & yams) 111300 Fruit & Tree Nut Farming 111400 Greenhouse, Nursery, & Floriculture Production 111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming) Animal Production 112111 Beef Cattle Ranching & Farming 112112 Cattle Feedlots 112120 Dairy Cattle & Milk Production 112210 Hog & Pig Farming 112300 Poultry & Egg Production 112400 Sheep & Goat Farming 112510 Aquaculture (including shellfish & finfish farms & hatcheries) 112900 Other Animal Production Forestry and Logging 113110 Timber Tract Operations 113210 Forest Nurseries & Gathering of Forest Products 113310 Logging Fishing, Hunting, and Trapping 114110 Fishing 114210 Hunting & Trapping Support Activities for Agriculture and Forestry 115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating) 115210 Support Activities for Animal Production (including farriers) 115310 Support Activities For Forestry		237310 Highway, Street, & Bridge Construction 237990 Other Heavy & Civil Engineering Construction Specialty Trade Contractors 238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding) 238210 Electrical Contractors 238220 Plumbing, Heating, & Air-Conditioning Contractors 238290 Other Building Equipment Contractors 238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finish carpentry) 238900 Other Specialty Trade Contractors (including site preparation) Manufacturing Food Manufacturing 311110 Animal Food Mfg 311200 Grain & Oilseed Milling 311300 Sugar & Confectionery Product Mfg 311400 Fruit & Vegetable Preserving & Specialty Food Mfg 311500 Dairy Product Mfg 311610 Animal Slaughtering and Processing 311710 Seafood Product Preparation & Packaging 311800 Bakeries, Tortilla & Dry Pasta Mfg 311900 Other Food Mfg (including coffee, tea, flavorings, & seasonings) Beverage and Tobacco Product Manufacturing 312110 Soft Drink & Ice Mfg 312120 Breweries 312130 Wineries 312140 Distilleries 312200 Tobacco Manufacturing Textile Mills and Textile Product Mills 313000 Textile Mills 314000 Textile Product Mills Apparel Manufacturing 315100 Apparel Knitting Mills 315210 Cut & Sew Apparel Contractors 315250 Cut & Sew Apparel Mfg (except Contractors) 315990 Apparel Accessories & Other Apparel Mfg Leather and Allied Product Manufacturing 316110 Leather & Hide Tanning & Finishing 316210 Footwear Mfg (including rubber & plastics) 316990 Other Leather & Allied Product Mfg Wood Product Manufacturing 321110 Sawmills & Wood Preservation 321210 Veneer, Plywood, & Engineered Wood Product Mfg 321900 Other Wood Product Mfg Paper Manufacturing 322100 Pulp, Paper, & Paperboard Mills		322200 Converted Paper Product Mfg Printing and Related Support Activities 323100 Printing & Related Support Activities Petroleum and Coal Products Manufacturing 324110 Petroleum Refineries (including integrated) 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg 324190 Other Petroleum & Coal Products Mfg Chemical Manufacturing 325100 Basic Chemical Mfg 325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg 325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg 325410 Pharmaceutical & Medicine Mfg 325500 Paint, Coating, & Adhesive Mfg 325600 Soap, Cleaning Compound, & Toilet Preparation Mfg 325900 Other Chemical Product & Preparation Mfg Plastics and Rubber Products Manufacturing 326100 Plastics Product Mfg 326200 Rubber Product Mfg Nonmetallic Mineral Product Manufacturing 327100 Clay Product & Refractory Mfg 327210 Glass & Glass Product Mfg 327300 Cement & Concrete Product Mfg 327400 Lime & Gypsum Product Mfg 327900 Other Nonmetallic Mineral Product Mfg Primary Metal Manufacturing 331110 Iron & Steel Mills & Ferroalloy Mfg 331200 Steel Product Mfg from Purchased Steel 331310 Alumina & Aluminum Production & Processing 331400 Nonferrous Metal (except Aluminum) Production & Processing 331500 Foundries Fabricated Metal Product Manufacturing 332110 Forging & Stamping 332210 Cutlery & Handtool Mfg 332300 Architectural & Structural Metals Mfg 332400 Boiler, Tank, & Shipping Container Mfg 332510 Hardware Mfg 332610 Spring & Wire Product Mfg 332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg 332810 Coating, Engraving, Heat Treating, & Allied Activities 332900 Other Fabricated Metal Product Mfg Machinery Manufacturing 333100 Agriculture, Construction, & Mining Machinery Mfg 333200 Industrial Machinery Mfg 333310 Commercial & Service Industry Machinery Mfg 333410 Ventilation, Heating, Air-Conditioning, &		Commercial Refrigeration Equipment Mfg 333510 Metalworking Machinery Mfg 333610 Engine, Turbine & Power Transmission Equipment Mfg 333900 Other General Purpose Machinery Mfg Computer and Electronic Product Manufacturing 334110 Computer & Peripheral Equipment Mfg 334200 Communications Equipment Mfg 334310 Audio & Video Equipment Mfg 334410 Semiconductor & Other Electronic Component Mfg 334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg 334610 Manufacturing & Reproducing Magnetic & Optical Media Electrical Equipment, Appliance, and Component Manufacturing 335100 Electric Lighting Equipment Mfg 335200 Household Appliance Mfg 335310 Electrical Equipment Mfg 335900 Other Electrical Equipment & Component Mfg Transportation Equipment Manufacturing 336100 Motor Vehicle Mfg 336210 Motor Vehicle Body & Trailer Mfg 336300 Motor Vehicle Parts Mfg 336410 Aerospace Product & Parts Mfg 336510 Railroad Rolling Stock Mfg 336610 Ship & Boat Building 336990 Other Transportation Equipment Mfg Furniture and Related Product Manufacturing 337000 Furniture & Related Product Manufacturing Miscellaneous Manufacturing 339110 Medical Equipment & Supplies Mfg 339900 Other Miscellaneous Manufacturing Wholesale Trade Merchant Wholesalers, Durable Goods 423100 Motor Vehicle & Motor Vehicle Parts & Supplies 423200 Furniture & Home Furnishings 423300 Lumber & Other Construction Materials 423400 Professional & Commercial Equipment & Supplies 423500 Metal & Mineral (except Petroleum) 423600 Household Appliances & Electrical & Electronic Goods 423700 Hardware & Plumbing & Heating Equipment & Supplies 423800 Machinery, Equipment, & Supplies 423910 Sporting & Recreational Goods & Supplies 423920 Toy & Hobby Goods & Supplies 423930 Recyclable Materials 423940 Jewelry, Watch, Precious Stone, & Precious Metals	
Mining 211120 Crude Petroleum Extraction 211130 Natural Gas Extraction 212110 Coal Mining 212200 Metal Ore Mining 212310 Stone Mining & Quarrying 212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying 212390 Other Nonmetallic Mineral Mining & Quarrying 213110 Support Activities for Mining Utilities 221100 Electric Power Generation, Transmission & Distribution 221210 Natural Gas Distribution 221300 Water, Sewage & Other Systems 221500 Combination Gas & Electric Construction Construction of Buildings 236110 Residential Building Construction 236200 Nonresidential Building Construction Heavy and Civil Engineering Construction 237100 Utility System Construction 237210 Land Subdivision							

Principal Business Activity Codes (Continued)

423990 Other Miscellaneous Durable Goods	456190 Other Health & Personal Care Retailers	Support Activities for Transportation	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
Merchant Wholesalers, Nondurable Goods	Gasoline Stations & Fuel Dealers	488100 Support Activities for Air Transportation	523150 Investment Banking & Securities Intermediation
424100 Paper & Paper Products	457100 Gasoline Stations (including convenience stores with gas)	488210 Support Activities for Rail Transportation	523160 Commodity Contracts Intermediation
424210 Drugs & Druggists' Sundries	457210 Fuel Dealers (including Heating Oil & Liquefied Petroleum)	488300 Support Activities for Water Transportation	523210 Securities & Commodity Exchanges
424300 Apparel, Piece Goods, & Notions	Clothing and Accessories Retailers	488410 Motor Vehicle Towing	523900 Other Financial Investment Activities (including portfolio management & investment advice)
424400 Grocery & Related Products	458110 Clothing & Clothing Accessories Retailers	488490 Other Support Activities for Road Transportation	Insurance Carriers and Related Activities
424500 Farm Product Raw Materials	458210 Shoe Retailers	488510 Freight Transportation Arrangement	524110 Direct Life, Health, & Medical Insurance Carriers
424600 Chemical & Allied Products	458310 Jewelry Retailers	488990 Other Support Activities for Transportation	524120 Direct Insurance (except Life, Health & Medical) Carriers
424700 Petroleum & Petroleum Products	458320 Luggage & Leather Goods Retailers	Couriers and Messengers	524210 Insurance Agencies & Brokerages
424800 Beer, Wine, & Distilled Alcoholic Beverages	Sporting, Hobby, Book, Musical Instrument & Miscellaneous Retailers	492110 Couriers & Express Delivery Services	524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)
424910 Farm Supplies	459110 Sporting Goods Retailers	492210 Local Messengers & Local Delivery	Funds, Trusts, and Other Financial Vehicles
424920 Book, Periodical, & Newspapers	459120 Hobby, Toy, & Game Retailers	Warehousing and Storage	525100 Insurance & Employee Benefit Funds
424930 Flower, Nursery Stock, & Florists' Supplies	459130 Sewing, Needlework, & Piece Goods Retailers	493100 Warehousing & Storage (except lessors of mini-warehouses & self-storage units)	525910 Open-End Investment Funds (Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies)
424940 Tobacco Products & Electronic Cigarettes	459140 Musical Instrument & Supplies Retailers	Information	525920 Trusts, Estates, & Agency Accounts
424950 Paint, Varnish, & Supplies	459210 Book Retailers & News Dealers (including newsstands)	Motion Picture and Sound Recording Industries	525990 Other Financial Vehicles (including mortgage REITs and closed-end investment funds)*Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under Management of Companies (Holding Companies) below.
424990 Other Miscellaneous Nondurable Goods	459310 Florists	512100 Motion Picture & Video Industries (except video rental)	
Wholesale Trade Agents and Brokers	459410 Office Supplies & Stationery Retailers	512200 Sound Recording Industries	
425120 Wholesale Trade Agents & Brokers	459420 Gift, Novelty, & Souvenir Retailers	Publishing Industries	
Retail Trade	459510 Used Merchandise Retailers	513110 Newspaper Publishers	
Motor Vehicle and Parts Dealers	459910 Pet & Pet Supplies Retailers	513120 Periodical Publishers	
441110 New Car Dealers	459920 Art Dealers	513130 Book Publishers	
441120 Used Car Dealers	459930 Manufactured (Mobile) Home Dealers	513140 Directory & Mailing List Publishers	
441210 Recreational Vehicle Dealers	459990 All Other Miscellaneous Retailers (including tobacco, candle, & trophy retailers)	513190 Other Publishers	
441222 Boat Dealers	Nonstore Retailers	513210 Software Publishers	
441227 Motorcycle, ATV, & All other Motor Vehicle Dealers	various Nonstore retailers sell all types of merchandise using such methods as Internet, mail-order catalogs, interactive television, or direct sales. These types of Retailers should select the PBA associated with their primary line of products sold. For example, establishments primarily selling prescription and non-prescription drugs, select PBA code 456110 Pharmacies & Drug Retailers.	Broadcasting & Content Providers & Telecommunications	
441300 Automotive Parts, Accessories, & Tire Retailers		516100 Radio & Television Broadcasting Stations	
Building Material and Garden Equipment and Supplies Dealers		516210 Media Streaming, Social Networks, & Other Content Providers	
444110 Home Centers		517000 Telecommunications (including Wired, Wireless, Satellite, Cable & Other Program Distribution, Resellers, Agents & Other Telecommunications, & Internet Service Providers)	
444120 Paint & Wallpaper Retailers		Data Processing, Web Search Portals, & Other Information Services	
444140 Hardware Retailers		518210 Computing Infrastructure Providers, Data Processing, Web Hosting & Related Services	
444180 Other Building Material Dealers		519200 Web Search Portals, Libraries, Archives, & Other Info. Services	
444200 Lawn & Garden Equipment & Supplies Retailers		Finance and Insurance	
Food and Beverage Retailers		Depository Credit Intermediation	
445110 Supermarkets and Other Grocery Retailers (except Convenience)		522110 Commercial Banking	
445131 Convenience Retailers		522130 Credit Unions	
445132 Vending Machine Operators		522180 Savings Institutions & Other Depository Credit Intermediation	
445230 Fruit & Vegetable Retailers		Nondepository Credit Intermediation	
445240 Meat Retailers		522210 Credit Card Issuing	
445250 Fish & Seafood Retailers		522220 Sales Financing	
445291 Baked Goods Retailers		522291 Consumer Lending	
445292 Confectionery & Nut Retailers		522292 Real Estate Credit (including mortgage bankers & originators)	
445298 All Other Specialty Food Retailers		522299 Intl, Secondary Market, & Other Nondepos. Credit Intermediation	
445320 Beer, Wine, & Liquor Retailers		Activities Related to Credit Intermediation	
Furniture and Home Furnishings Retailers		522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)	
449110 Furniture Retailers			
449121 Floor Covering Retailers			
449122 Window Treatment Retailers			
449129 All Other Home Furnishings Retailers			
Electronics and Appliance Retailers			
449210 Electronic & Appliance Retailers (including computers)			
General Merchandise Retailers			
455110 Department Stores			
455210 Warehouse Clubs, Supercenters, & Other General Merch. Retailers			
Health and Personal Care Retailers			
456110 Pharmacies & Drug Retailers			
456120 Cosmetics, Beauty Supplies, & Perfume Retailers			
456130 Optical Goods Retailers			
	Transportation and Warehousing		Real Estate and Rental and Leasing
	Air, Rail, and Water Transportation		Real Estate
	481000 Air Transportation		531110 Lessors of Residential Buildings & Dwellings (including equity REITs)
	482110 Rail Transportation		531120 Lessors of Nonresidential Buildings (except Mini-warehouses) (including equity REITs)
	483000 Water Transportation		531130 Lessors of Mini-warehouses & Self-Storage Units (including equity REITs)
	Truck Transportation		531190 Lessors of Other Real Estate Property (including equity REITs)
	484110 General Freight Trucking, Local		531210 Offices of Real Estate Agents & Brokers
	484120 General Freight Trucking, Long-distance		531310 Real Estate Property Managers
	484200 Specialized Freight Trucking		531320 Offices of Real Estate Appraisers
	Transit and Ground Passenger Transportation		531390 Other Activities Related to Real Estate
	485110 Urban Transit Systems		Rental and Leasing Services
	485210 Interurban & Rural Bus Transportation		532100 Automotive Equipment Rental & Leasing
	485310 Taxi Service		532210 Consumer Electronics & Appliances Rental
	485320 Limousine Service		532281 Formal Wear & Costume Rental
	485410 School & Employee Bus Transportation		532282 Video Tape & Disc Rental
	485510 Charter Bus Industry		532283 Home Health Equipment Rental
	485990 Other Transit & Ground Passenger Transportation		532284 Recreational Goods Rental
	Pipeline Transportation		532289 All Other Consumer Goods Rental
	486000 Pipeline Transportation		532310 General Rental Centers
	Scenic & Sightseeing Transportation		532400 Commercial & Industrial Machinery & Equipment Rental & Leasing
	487000 Scenic & Sightseeing Transportation		

Principal Business Activity Codes (Continued)

Lessors of Nonfinancial Intangible Assets (except copyrighted works) 533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)	561210 Facilities Support Services 561300 Employment Services 561410 Document Preparation Services 561420 Telephone Call Centers 561430 Business Service Centers (including private mail centers & copy shops) 561440 Collection Agencies 561450 Credit Bureaus 561490 Other Business Support Services (including repossession services, court reporting, & stenotype services) 561500 Travel Arrangement & Reservation Services 561600 Investigation & Security Services 561710 Exterminating & Pest Control Services 561720 Janitorial Services 561730 Landscaping Services 561740 Carpet & Upholstery Cleaning Services 561790 Other Services to Buildings & Dwellings 561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers) Waste Management and Remediation Services 562000 Waste Management & Remediation Services	Home Health Care Services 621610 Home Health Care Services Other Ambulatory Health Care Services 621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks) Hospitals 622000 Hospitals Nursing and Residential Care Facilities 623000 Nursing & Residential Care Facilities Social Assistance 624100 Individual & Family Services 624200 Community Food & Housing, & Emergency & Other Relief Services 624310 Vocational Rehabilitation Services 624410 Childcare Services	Other Services Repair and Maintenance 811110 Automotive Mechanical & Electrical Repair & Maintenance 811120 Automotive Body, Paint, Interior, & Glass Repair 811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes) 811210 Electronic & Precision Equipment Repair & Maintenance 811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance 811410 Home & Garden Equipment & Appliance Repair & Maintenance 811420 Reupholstery & Furniture Repair 811430 Footwear & Leather Goods Repair 811490 Other Personal & Household Goods Repair & Maintenance Personal and Laundry Services 812111 Barber Shops 812112 Beauty Salons 812113 Nail Salons 812190 Other Personal Care Services (including diet & weight reducing centers) 812210 Funeral Homes & Funeral Services 812220 Cemeteries & Crematories 812310 Coin-Operated Laundries & Drycleaners 812320 Drycleaning & Laundry Services (except Coin-Operated) 812330 Linen & Uniform Supply 812910 Pet Care (except Veterinary) Services 812920 Photofinishing 812930 Parking Lots & Garages 812990 All Other Personal Services Religious, Grantmaking, Civic, Professional, and Similar Organizations 813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium and homeowners associations)
Professional, Scientific, and Technical Services Legal Services 541110 Offices of Lawyers 541190 Other Legal Services Accounting, Tax Preparation, Bookkeeping, and Payroll Services 541211 Offices of Certified Public Accountants 541213 Tax Preparation Services 541214 Payroll Services 541219 Other Accounting Services Architectural, Engineering, and Related Services 541310 Architectural Services 541320 Landscape Architecture Services 541330 Engineering Services 541340 Drafting Services 541350 Building Inspection Services 541360 Geophysical Surveying & Mapping Services 541370 Surveying & Mapping (except Geophysical) Services 541380 Testing Laboratories & Services Specialized Design Services 541400 Specialized Design Services (including interior, industrial, graphic, & fashion design) Computer Systems Design and Related Services 541511 Custom Computer Programming Services 541512 Computer Systems Design Services 541513 Computer Facilities Management Services 541519 Other Computer Related Services Other Professional, Scientific, and Technical Services 541600 Management, Scientific, & Technical Consulting Services 541700 Scientific Research & Development Services 541800 Advertising, Public Relations, & Related Services 541910 Marketing Research & Public Opinion Polling 541920 Photographic Services 541930 Translation & Interpretation Services 541940 Veterinary Services 541990 All Other Professional, Scientific, & Technical Services	Educational Services 611000 Educational Services (including schools, colleges, & universities) Health Care and Social Assistance Offices of Physicians and Dentists 621111 Offices of Physicians (except mental health specialists) 621112 Offices of Physicians, Mental Health Specialists 621210 Offices of Dentists Offices of Other Health Practitioners 621310 Offices of Chiropractors 621320 Offices of Optometrists 621330 Offices of Mental Health Practitioners (except Physicians) 621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists 621391 Offices of Podiatrists 621399 Offices of All Other Miscellaneous Health Practitioners Outpatient Care Centers 621410 Family Planning Centers 621420 Outpatient Mental Health & Substance Abuse Centers 621491 HMO Medical Centers 621492 Kidney Dialysis Centers 621493 Freestanding Ambulatory Surgical & Emergency Centers 621498 All Other Outpatient Care Centers Medical and Diagnostic Laboratories 621510 Medical & Diagnostic Laboratories	Arts, Entertainment, and Recreation Performing Arts, Spectator Sports, and Related Industries 711100 Performing Arts Companies 711210 Spectator Sports (including sports clubs & racetracks) 711300 Promoters of Performing Arts, Sports, & Similar Events 711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures 711510 Independent Artists, Writers, & Performers Museums, Historical Sites, and Similar Institutions 712100 Museums, Historical Sites, & Similar Institutions Amusement, Gambling, and Recreation Industries 713100 Amusement Parks & Arcades 713200 Gambling Industries 713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)	Other 999000 Unclassified Establishments (unable to classify)
Management of Companies (Holding Companies) 551111 Offices of Bank Holding Companies 551112 Offices of Other Holding Companies			
Administrative and Support and Waste Management and Remediation Services Administrative and Support Services 561110 Office Administrative Services			

**Information Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

OMB No. 1545-1002

Attachment
Sequence No. **69**

► Go to www.irs.gov/Form8621 for instructions and the latest information.

Name of shareholder	Identifying number (see instructions)
Number, street, and room or suite no. If a P.O. box, see instructions.	Shareholder tax year: calendar year 20 or other tax year beginning , 20 and ending , 20 .

City or town, state, and ZIP code or country

Check type of shareholder filing the return: ☐ Individual ☐ Corporation ☐ Partnership ☐ S Corporation ☐ Nongrantor Trust ☐ Estate
Check if any Excepted Specified Foreign Financial Assets are reported on this form. See instructions ☐

Qualifying Insurance Corporation Election—I, a shareholder of stock of a foreign corporation, elect to treat such stock as the stock of a Qualifying Insurance Corporation under the alternative facts and circumstances test within the meaning of section 1297(f)(2). See instructions ☐

Name of foreign corporation, passive foreign investment company (PFIC), or qualified electing fund (QEF)	Employer identification number (if any)
Address (Enter number, street, city or town, and country.)	Reference ID number (see instructions)
	Tax year of foreign corporation, PFIC, or QEF: calendar year 20 or other tax year beginning , 20 and ending , 20 .

Part I Summary of Annual Information (see instructions)

Provide the following information with respect to all shares of the PFIC held by the shareholder:

- 1 Description of each class of shares held by the shareholder: _____
☐ Check if shares jointly owned with spouse.
- 2 Date shares acquired during the tax year, if applicable: _____
- 3 Number of shares held at the end of the tax year: _____
- 4 Value of shares held at the end of the tax year (check the appropriate box, if applicable):
(a) ☐ \$0–50,000 (b) ☐ \$50,001–100,000 (c) ☐ \$100,001–150,000 (d) ☐ \$150,001–200,000
(e) If more than \$200,000, list value: _____
- 5 Type of PFIC and amount of any excess distribution or gain treated as an excess distribution under section 1291, inclusion under section 1293, and inclusion or deduction under section 1296 (check all boxes that apply):
(a) ☐ Section 1291 \$ _____
(b) ☐ Section 1293 (Qualified Electing Fund) \$ _____
(c) ☐ Section 1296 (Mark to Market) \$ _____

Part II Elections (see instructions)

- A** ☐ **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 6a through 7c of Part III.*
- B** ☐ **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 8a through 9c of Part III to calculate the tax that may be deferred.*
- Note:** If any portion of line 6a or line 7a of Part III is includible under section 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- C** ☐ **Election To Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part IV.*
- D** ☐ **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 15f of Part V.*
- E** ☐ **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 15e of Part V. If the excess distribution is greater than zero, also complete line 16 of Part V.*
- F** ☐ **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1297(d) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 15f of Part V.*
- G** ☐ **Deemed Dividend Election With Respect to a Section 1297(e) PFIC.** I, a shareholder of a section 1297(e) PFIC, within the meaning of Regulations section 1.1297-3(a), elect to make a deemed dividend election with respect to the Section 1297(e) PFIC. My holding period in the stock of the Section 1297(e) PFIC includes the CFC qualification date, as defined in Regulations section 1.1297-3(d). *Enter the excess distribution on line 15e, Part V. If the excess distribution is greater than zero, also complete line 16, Part V.*
- H** ☐ **Deemed Dividend Election With Respect to a Former PFIC.** I, a shareholder of a former PFIC, within the meaning of Regulations section 1.1298-3(a), elect to make a deemed dividend election with respect to the former PFIC. My holding period in the stock of the former PFIC includes the termination date, as defined in Regulations section 1.1298-3(d). *Enter the excess distribution on line 15e, Part V. If the excess distribution is greater than zero, also complete line 16, Part V.*

Part III Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 6a through 7c. If you are making Election B, also complete lines 8a through 9c. See instructions.

6a	Enter your pro rata share of the ordinary earnings of the QEF	6a		
b	Enter the portion of line 6a that is included in income under section 951 or that may be excluded under section 1293(g)	6b		
c	Subtract line 6b from line 6a. Enter this amount on your tax return as ordinary income	6c		
7a	Enter your pro rata share of the total net capital gain of the QEF	7a		
b	Enter the portion of line 7a that is included in income under section 951 or that may be excluded under section 1293(g)	7b		
c	Subtract line 7b from line 7a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. See instructions	7c		
Complete lines 8 and 9 only if you are making a section 1294 election (Election B) for the current tax year.				
8a	Add lines 6c and 7c	8a		
b	Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. See instructions	8b		
c	Enter the portion of line 8a not already included in line 8b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	8c		
d	Add lines 8b and 8c	8d		
e	Subtract line 8d from line 8a, and enter the difference (if zero or less, enter amount in brackets)	8e		
Important: If line 8e is greater than zero, and no portion of line 6a or 7a is includible in income under section 951, you may make Election B with respect to the amount on line 8e.				
9a	Enter the total tax for the tax year. See instructions	9a		
b	Enter the total tax for the tax year determined without regard to the amount entered on line 8e	9b		
c	Subtract line 9b from line 9a. This is the deferred tax, the time for payment of which is extended by making Election B. See instructions	9c		

Part IV Gain or (Loss) From Mark-to-Market Election (see instructions)

10a	Enter the fair market value of your PFIC stock at the end of the tax year	10a	
b	Enter your adjusted basis in the stock at the end of the tax year	10b	
c	Subtract line 10b from line 10a. If a gain, do not complete lines 11 and 12. Include this amount as ordinary income on your tax return. If a loss, go to line 11	10c	
11	Enter any unreversed inclusions (as defined in section 1296(d))	11	
12	Enter the loss from line 10c, but only to the extent of unreversed inclusions on line 11. Include this amount as an ordinary loss on your tax return	12	
13	If you sold or otherwise disposed of any section 1296 stock (see instructions) during the tax year:		
a	Enter the fair market value of the stock on the date of sale or disposition	13a	
b	Enter the adjusted basis of the stock on the date of sale or disposition	13b	
c	Subtract line 13b from line 13a. If a gain, do not complete line 14. Include this amount as ordinary income on your tax return. If a loss, go to line 14	13c	
14a	Enter any unreversed inclusions (as defined in section 1296(d))	14a	
b	Enter the loss from line 13c, but only to the extent of unreversed inclusions on line 14a. Include this amount as an ordinary loss on your tax return. If the loss on line 13c exceeds unreversed inclusions on line 14a, complete line 14c	14b	
c	Enter the amount by which the loss on line 13c exceeds unreversed inclusions on line 14a. Include this amount on your tax return according to the rules generally applicable for losses provided elsewhere in the Code and regulations	14c	

Note: See instructions in case of multiple sales or dispositions.

Part V Distributions From and Dispositions of Stock of a Section 1291 Fund (see instructions)
 Complete a **separate Part V** for each excess distribution and disposition. See instructions.

15a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions	15a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year)	15b	
c	Divide line 15b by 3.0. (See instructions if the number of preceding tax years is less than 3.)	15c	
d	Multiply line 15c by 125% (1.25)	15d	
e	Subtract line 15d from line 15a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If there is an excess distribution, complete line 16. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part V. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return	15e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 16. If a loss, show it in brackets and do not complete line 16	15f	
16a	If there is a positive amount on line 15e or 15f (or both), attach a statement for each excess distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution or gain to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 16a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC years). Enter these amounts on your income tax return as other income	16b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). See instructions	16c	
d	Foreign tax credit (see instructions)	16d	
e	Subtract line 16d from line 16c. Enter this amount on your income tax return as "additional tax." See instructions	16e	
f	Determine interest on each net increase in tax determined on line 16e using the rates and methods of section 6621. Enter the aggregate amount of interest here. See instructions	16f	

Part VI **Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections***Complete a separate column for each outstanding election.*

Complete lines 17 through 20 to report the status of outstanding prior year section 1294 elections.							
		(i)	(ii)	(iii)	(iv)	(v)	(vi)
17	Tax year of outstanding election						
18	Undistributed earnings to which the election relates						
19	Deferred tax						
20	Interest accrued on deferred tax (line 19) as of the filing date						
Complete lines 21 through 24 only if a section 1294 election is terminated in the current year.							
21	Event terminating election						
22	Earnings distributed or deemed distributed during the tax year						
23	Deferred tax due with this return						
24	Accrued interest due with this return.						
Complete lines 25 and 26 only if there is a partial termination of a section 1294 election in the current tax year.							
25	Deferred tax outstanding after partial termination of election. Subtract line 23 from line 19						
26	Interest accrued after partial termination of election. Subtract line 24 from line 20						

Instructions for Form 8621

(Rev. December 2024)



(Use with the December 2018 revision of Form 8621.)

Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments relating to Form 8621, and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8621](https://www.irs.gov/Form8621).

What's New

On page 2, a new paragraph was added to the "Basis for measuring assets" section under the definition of Passive Foreign Investment Company. This new paragraph was added to clarify how to make the election described in Regulations section 1.1297-1(d)(1)(iv).

With respect to certain amounts on Form 8621 that are reported on income tax returns, some of the references to Form 1120, Schedule J (on pages 12 through 15 of these instructions) have been updated to reflect the redesign of Form 1120, Schedule J.

The line 16f instructions were modified to update the Revenue Ruling for the rates for interest determined under section 6621.

Reminders

Election to be treated as a Qualifying Insurance Corporation. A checkbox was added on page 1 of Form 8621 for shareholders of stock of a foreign corporation that elect to treat such stock as the stock of a qualifying insurance corporation under section 1297(f)(2), which was added by section 14501 of the Tax Cuts and Jobs Act (TCJA).

Final regulations were issued under sections 1297 and 1298 (T.D. 9936, 86 FR 4571, Jan. 15, 2021, as amended by T.D. 9936, 86 FR 13648, Mar. 10, 2021). The regulations under section 1297 changed the requirements for the election of a U.S. person that is a shareholder of a foreign corporation to treat stock of a foreign corporation as stock of a qualifying insurance corporation. The rules (1) expand the availability of the election to include a U.S. person who is considered to own stock in the foreign corporation by reason of holding an option; (2) provide a deemed election for small shareholders in publicly traded companies (as described in Regulations section 1.1297-4(d)(5)(iv)); (3) no longer require a U.S. shareholder making the election to attach a copy of the statement from the foreign corporation described in Regulations section 1.1297-4(d)(5) to the Form 8621 attached to its federal income tax return for the tax year to which it relates; and (4) allow a U.S. shareholder to make the election by attaching the Form 8621 to its amended federal income tax return for the tax year to which it relates, if the U.S. shareholder can demonstrate that the reason for not filing the form with its original return was due to reasonable cause. See [Election To Be Treated as a Qualifying Insurance Corporation](https://www.irs.gov/efile), later.

General Instructions

Who Must File

Qualifying Insurance Corporation

A U.S. person that owns stock (or holds an option to purchase stock) of a foreign corporation and elects to treat such stock as the stock of a qualifying insurance corporation under the alternative facts and circumstances test within the meaning of section 1297(f)(2) and Regulations section 1.1297-4(d) must file a limited-information Form 8621. For details, see [Election To Be Treated as a Qualifying Insurance Corporation](https://www.irs.gov/efile), later.

Passive Foreign Investment Corporation (PFIC)

Generally, a U.S. person that is a direct or indirect shareholder of a PFIC must file Form 8621 for each tax year under the following five circumstances if the U.S. person:

1. Receives certain direct or indirect distributions from a PFIC,
2. Recognizes gain on a direct or indirect disposition of PFIC stock,
3. Is reporting information with respect to a Qualified Electing Fund (QEF) or section 1296 mark-to-market election,
4. Is making an election reportable in Part II of the form, or
5. Is required to file an annual report pursuant to section 1298(f). See the [Part I](https://www.irs.gov/efile) instructions, later, for more information regarding the person that must file pursuant to section 1298(f).

A **separate** Form 8621 must be filed for each PFIC in which stock is held directly or indirectly. In the case of a chain of ownership, under the five circumstances described above, unless otherwise provided, if the shareholder owns one PFIC and through that PFIC owns one or more other PFICs, the shareholder must file a Form 8621 for each PFIC in the chain.

A **single** Form 8621 may be filed with respect to a PFIC to report the information required by section 1298(f) (that is, Part I), as well as to report information in Parts III through VI of the form and to make elections in Part II of the form. For example, a U.S. person that has made a section 1296 mark-to-market election with respect to a PFIC will file a single Form 8621 and complete Part I and Part IV.

Indirect shareholder. Generally, a U.S. person is an indirect shareholder of a PFIC if it is:

- A 50%-or-more shareholder of a foreign corporation that is not a PFIC and that directly or indirectly owns stock of a PFIC,
- A shareholder of a PFIC where the PFIC itself is a shareholder of another PFIC, or

- A direct or indirect owner of a pass-through entity where the pass-through entity itself is a direct or indirect shareholder of a PFIC.

For more information on determining whether a U.S. person is an indirect shareholder, see Regulations section 1.1291-1(b)(8).

For purposes of these rules, a pass-through entity is a partnership, S corporation, trust, or estate.

However, a U.S. person that owns stock of a PFIC through a tax-exempt organization or account described in the list below is not treated as a shareholder of the PFIC.

- An organization or an account that is exempt from tax under section 501(a) because it is described in section 501(c), 501(d), or 401(a).
- A state college or university described in section 511(a)(2)(B).
- A plan described in section 403(b) or 457(b).
- An individual retirement plan or annuity as defined in section 7701(a)(37).
- A qualified tuition program described in section 529 or 530.
- A qualified ABLE program described in section 529A.

Interest holder of pass-through entities. In general, the following interest holders must file Form 8621, unless an exception applies.

1. A U.S. person that is an interest holder of a foreign pass-through entity that is a direct or indirect shareholder of a PFIC.
2. A U.S. person that is considered (under sections 671 through 679) the shareholder of PFIC stock held in trust.
3. A U.S. partnership, S corporation, U.S. trust (other than a trust that is subject to sections 671 through 679 for the PFIC stock), or U.S. estate that is a direct or indirect shareholder of a PFIC.

Note. U.S. persons that are interest holders of pass-through entities described in 3 above must file Form 8621 if the pass-through entity fails to file such form or the U.S. person is required to recognize any income under section 1291.

When and Where To File

Attach Form 8621 to the shareholder's tax return (or, if applicable, partnership or exempt organization return) and file both by the due date, including extensions, of the return at the Internal Revenue Service Center where the tax return is required to be filed.

If you are not required to file an income tax return or other return for the tax year, file Form 8621 directly with the Internal Revenue Service Center, Ogden, UT 84201-0201.

Definitions and Special Rules

Passive Foreign Investment Company (PFIC)

A foreign corporation is a PFIC if it meets either the income or asset test described next.

1. **Income test.** 75% or more of the corporation's gross income for its tax year is passive income (as defined in section 1297(b)).
2. **Asset test.** At least 50% of the average percentage of assets (determined under section 1297(e)) held by the foreign corporation during the tax year are assets that produce passive income or that are held for the production of passive income.

Basis for measuring assets. When determining PFIC status using the asset test, a foreign corporation must use adjusted basis if:

1. The corporation is not publicly traded for the tax year; and
2. The corporation is a controlled foreign corporation under Regulations section 1.1297-1(d)(v)(B)(2).

In addition, a non-publicly traded foreign corporation that is not a CFC may use adjusted basis if an election is made to use adjusted basis. The election can be made either by the corporation or by certain of its owners. If made by an owner, the election must be made according to the rules of Regulations section 1.1297-1(d)(1)(iv).

Publicly traded foreign corporations must use fair market value when determining PFIC status using the asset test. See Regulations section 1.1297-1(f)(7) for guidance on when a foreign corporation is publicly traded for this purpose.

Look-thru rule. When determining if a foreign corporation is a PFIC, the foreign corporation is treated as if it directly held its proportionate share of the assets and directly received its proportionate share of the income of any corporation in which it owns at least 25% of the stock (by value).

CFC overlap rule. A 10% or more U.S. shareholder (defined in section 951(b)) that includes in income its pro rata share of subpart F income for stock of a CFC that is also a PFIC will not generally be subject to the PFIC provisions for the same stock during the qualified portion of the shareholder's holding period of the stock in the PFIC. This exception does not apply to option holders. For more information, see section 1297(d).

Note. The attribution rules of section 1298(a)(2)(B) will continue to apply even if the foreign corporation is not treated as a PFIC with respect to the shareholder under section 1297(d).

Qualified Electing Fund (QEF) Election

A PFIC is a QEF if a U.S. person who is a direct or indirect shareholder of the PFIC elects (under section 1295(b)) to treat the PFIC as a QEF and complies with the requirements described in section 1295(a)(2). See the instructions for [Election A](#), later, for information on making this election.

Tax Consequences for Shareholders of a QEF

- A shareholder of a QEF must annually include in gross income, as ordinary income, its pro rata share of the ordinary earnings of the QEF and as long-term capital gain its pro rata share of the net capital gain of the QEF.
- The shareholder may elect to extend the time for payment of tax on its share of the undistributed earnings of the QEF (Election B) until the QEF election is terminated.
- If the QEF election is not made with respect to the first year of the shareholder's holding period in the PFIC, the shareholder may be able to make a deemed sale election (Election D) or deemed dividend election (Election E) (if eligible). If the shareholder properly makes a deemed sale election or deemed dividend election in connection with its QEF election, then the PFIC will become a pedigreed QEF (as defined in Regulations section 1.1291-9(j)(2)(ii)) with respect to the shareholder.

Note. A shareholder that receives a distribution from an unpedigreed QEF (defined in Regulations section 1.1291-9(j))

(2)(iii)) is also subject to the rules applicable to a [shareholder of a section 1291 fund](#), later.

Basis adjustments. A shareholder's basis in the stock of a QEF, or in any property through which the shareholder is treated as owning stock of a QEF, is increased by the earnings included in gross income and decreased by a distribution from the QEF to the extent of previously taxed amounts.

Section 1291 Fund

A PFIC is a section 1291 fund if:

1. The shareholder did not elect to treat the PFIC as a QEF or make a mark-to-market election with respect to the PFIC, or
2. The PFIC is an unpedigreed QEF (as defined in Regulations section 1.1291-9(j)(2)(iii)).

Tax Consequences for Shareholders of a Section 1291 Fund

Shareholders of a section 1291 fund are subject to special rules when they receive an [excess distribution](#) (defined below) from, or recognize gain on the sale or disposition of the stock of, a section 1291 fund. A distribution may be partly or wholly an excess distribution. The entire amount of gain from the disposition of a section 1291 fund is treated as an excess distribution.

Excess distributions. An excess distribution is the part of the distribution received from a section 1291 fund in the current tax year that is greater than 125% of the average distributions received in respect of such stock by the shareholder during the 3 preceding tax years (or, if shorter, the portion of the shareholder's holding period before the current tax year). No part of a distribution received or deemed received during the first tax year of the shareholder's holding period of the stock will be treated as an excess distribution.

The excess distribution is determined on a per share basis and is allocated to each day in the shareholder's holding period of the stock. See section 1291(b)(3) for adjustments that are made when determining if a distribution is an excess distribution.

Portions of an excess distribution are treated differently. The portions allocated to the days in the current tax year and the shareholder's tax years in its holding period before the foreign corporation qualified as a PFIC (pre-PFIC years) are taxed as ordinary income. The portions allocated to the days in the shareholder's tax years (other than the current tax year) in its holding period when the foreign corporation was a PFIC are not included in income, but are subject to the separate tax and interest charge set forth in section 1291(c).

See the instructions for [Part V](#), later.

Exempt organizations. If a shareholder of a PFIC is a tax-exempt organization, the rules of section 1291 will apply only if a dividend from the PFIC would be taxable to the shareholder under subchapter F.

Coordination of mark-to-market regimes with section 1291. Shareholders of a PFIC that is marked to market under section 1296 or any other Code provision may be subject to section 1291 in the first tax year in which the shareholder marks to market the PFIC stock. See Regulations sections 1.1291-1(c)(4) and 1.1296-1(i).

Mark-to-Market Election

A U.S. shareholder of a PFIC may elect to mark to market the PFIC stock under section 1296 if the stock is "marketable stock." See the instructions for [Election C](#), later, for information on making this election.

Marketable stock. Marketable stock is:

- PFIC stock that is regularly traded (as defined in Regulations section 1.1296-2(b)) on:
 1. A national securities exchange that is registered with the Securities and Exchange Commission (SEC),
 2. The national market system established under section 11A of the Securities Exchange Act of 1934, or
 3. A foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and has the characteristics described in Regulations section 1.1296-2(c)(1)(ii).
- Stock in certain PFICs described in Regulations section 1.1296-2(d).

For additional information, including special rules for regulated investment companies (RICs) that own PFIC stock, see Regulations section 1.1296-1 and 1.1296-2.

Tax Consequences

After a PFIC shareholder elects to mark the stock to market under section 1296, the shareholder either:

1. Includes in income each year an amount equal to the excess, if any, of the fair market value of the PFIC stock as of the close of the tax year over the shareholder's adjusted basis in such stock; or
2. Is allowed a deduction equal to the lesser of:
 - a. The excess, if any, of the adjusted basis of the PFIC stock over its fair market value as of the close of the tax year; or
 - b. The excess, if any, of the amount of mark-to-market gain included in the gross income of the PFIC shareholder for prior tax years over the amount allowed such PFIC shareholder as a deduction for a loss with respect to such stock for prior tax years.

See the instructions for Part II, [Election C](#), and [Part IV](#), later, for more information, including special rules that may apply in the year that a mark-to-market election is made.

Basis adjustment. If the stock is held directly, the shareholder's adjusted basis in the PFIC stock is increased by the amount included in income and decreased by any deductions allowed. If the stock is owned indirectly through foreign entities, see Regulations section 1.1296-1(d)(2).

Additional Information Required

Reportable transaction disclosure statement. A 10% shareholder (by vote or value) of a QEF may also be required to file Form 8886 if the QEF is considered to have participated in a reportable transaction pursuant to Regulations section 1.6011-4(c)(3)(i)(G). See Form 8886, Reportable Transaction Disclosure Statement, and Regulations section 1.6011-4 for additional information.

Specific Instructions

Important: All line references to Form 1120 and Form 1040 are to the 2024 forms. Other entities should use the comparable line on their tax return.

Excepted Specified Foreign Financial Assets Reported

Check this box only if the Form 8621 filer also files Form 8938, Statement of Specified Foreign Financial Assets, for the tax year and includes this form in the total number of Forms 8621 reported on line 4 of Part IV, Excepted Specified Foreign Financial Assets, of Form 8938. For more information, see the Instructions for Form 8938, generally, and in particular, *Duplicative Reporting* and the specific instructions for Part IV, Excepted Specified Foreign Financial Assets.

Election To Be Treated as a Qualifying Insurance Corporation

Who may make the election. A U.S. person that is a shareholder (or holds an option to purchase stock) of a corporation that fails to qualify as a qualifying insurance corporation (QIC) (as defined in section 1297(f)(1)) solely because its applicable insurance liabilities make up 25% or less of its total assets may elect to treat the stock as stock of a qualifying insurance corporation under the alternative facts and circumstances test set forth in section 1297(f)(2) and Regulations section 1.1297-4(d) if:

1. The foreign corporation's applicable insurance liabilities make up at least 10% of its total assets; and
2. Based on the applicable facts and circumstances, the foreign corporation is predominantly engaged in an insurance business, and its failure to satisfy the 25% threshold is due solely to runoff-related or rating-related circumstances involving such insurance business.

The U.S. shareholder may make the election under section 1297(f)(2) for its tax year if:

- The foreign corporation directly provides the U.S. shareholder a statement, signed by a responsible officer of the foreign corporation or an authorized representative of the foreign corporation, that the foreign corporation satisfied the requirements of section 1297(f)(2) and Regulations section 1.1297-4(d)(1) during the foreign corporation's applicable reporting period (as defined in Regulations section 1.1297-4(f)(4)). Specifically, if the foreign corporation failed to qualify as a QIC under section 1297(f)(1) solely because the ratio of applicable insurance liabilities to total assets for the tax year is 25% or less, the statement must (1) indicate that the ratio was at least 10%, along with a calculation of the ratio (with the resultant ratio double underlined); (2) include a statement indicating whether the failure to satisfy the 25% test was the result of runoff-related or rating-related circumstances, along with a brief description of those circumstances; and (3) include information that establishes that the foreign corporation has met the "predominantly engaged in an insurance business" requirement described in Regulations section 1.1297-4(d)(2).
- The foreign corporation (or its foreign parent corporation on its behalf) makes a publicly available statement (such as in a public filing, disclosure statement, or other notice provided to U.S. persons that are shareholders of the foreign

corporation) that it satisfied the requirements of section 1297(f)(2) and Regulations section 1.1297-4(d)(1) during the foreign corporation's applicable reporting period (as defined in Regulations section 1.1297-4(f)(4)). This publicly available statement must include the same three items noted in the first bulleted item above. However, a U.S. shareholder may not rely upon the foreign corporation's statement described in this bullet if the U.S. person knows or has reason to know based upon reasonably accessible information that the statement was incorrect.

Note. The final regulations do not require the U.S. person to attach a copy of either of the above statements to Form 8621. See Regulations section 1.1297-4(d)(5).

When to make the election. Generally, the U.S. shareholder must make this election by the due date, including extensions, of the U.S. person's tax return for the tax year for which the taxpayer is relying on the alternative facts and circumstances test within the meaning of section 1297(f)(2) and Regulations section 1.1297-4(d) to meet the definition of a qualifying insurance corporation. A U.S. person can attach the Form 8621 to an amended return for the tax year of the U.S. person to which the election relates if the U.S. person can demonstrate that the reason for not filing the form with its original return was due to reasonable cause.

How to make the election. Follow these steps to make the election.

1. Check the box on page 1 of Form 8621.
2. Provide the identifying information for the U.S. person and the foreign corporation (Name, Address, Identifying Number (if any)) only. You do not have to complete any other part of the Form 8621 if you are only filing the form to make this election.

Deemed election for publicly traded companies. A U.S. person who owns publicly traded stock in a foreign corporation will be deemed to make the election under section 1297(f)(2) with respect to the foreign corporation and its subsidiaries if the following requirements are satisfied.

- The stock of the foreign corporation that is owned by the U.S. person (including stock owned indirectly) has a value of \$25,000 or less (\$50,000 or less in the case of a joint return) on the last day of the U.S. person's tax year and on any day during the tax year on which the U.S. person disposes of stock of the foreign corporation; and
- If the U.S. person owns stock of the foreign corporation indirectly through a domestic partnership, domestic trust, domestic estate, or S corporation (a domestic pass-through entity), the stock of the foreign corporation that is owned by the domestic pass-through entity has a value of \$25,000 or less on the last day of the tax year of the domestic pass-through entity that ends with or within the U.S. person's tax year and on any day during the tax year of the domestic pass-through entity on which it disposes of stock of the foreign corporation.

For these purposes, stock is publicly traded if it would be treated as marketable stock within the meaning of section 1296(e) and Regulations section 1.1296-2 (without regard to Regulations section 1.1296-2(d)) if the election under section 1297(f)(2) is not made.

Address and Identifying Number

Address. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to

the street address and the shareholder has a P.O. box, enter the box number instead.

Identifying number. Individuals should enter a social security number or a taxpayer identification number issued by the IRS. All other entities should enter an employer identification number (EIN).

Reference ID number. A reference ID number is required in the applicable entry space above Part I of the form only in cases where no EIN was entered for the PFIC, QEF, or QIC. However, filers are permitted to enter both an EIN and a reference ID number. If applicable, enter the reference ID number (defined below) you have assigned to the PFIC, QEF, or QIC.

A “reference ID number” is a number established by or on behalf of the U.S. person identified at the top of page 1 of the form that is assigned to a PFIC, QEF, or QIC with respect to which Form 8621 reporting is required. These numbers are used to uniquely identify the PFIC, QEF, or QIC in order to keep track of the entity from tax year to tax year. The reference ID number must meet the [requirements](#) set forth below.

Note. Because reference ID numbers are established by or on the behalf of a U.S. person filing Form 8621, there is no need to apply to the IRS to request a reference ID number or for permission to use these numbers.

Note. In general, the reference ID number assigned to a PFIC, QEF, or QIC on Form 8621 has relevance only to Form 8621 and should not be used with respect to the PFIC, QEF, or QIC on other IRS forms.

Requirements. The reference ID number must be alphanumeric (defined below), and no special characters or spaces are permitted. The length of a given reference ID number is limited to 50 characters.

For these purposes, the term “alphanumeric” means the entry can be alphabetical, numeric, or any combination of the two.

The same reference ID number must be used consistently from tax year to tax year with respect to a given PFIC, QEF, or QIC. If for any reason a reference ID number falls out of use (for example, the PFIC, QEF, or QIC no longer exists due to disposition or liquidation), the reference ID number used for that PFIC, QEF, or QIC cannot be used again for another PFIC, QEF, or QIC for purposes of Form 8621 reporting.

There are some situations that warrant correlation of a new reference ID number with a previous reference ID number when assigning a new reference ID number to a PFIC, QEF, or QIC. For example:

- In the case of a merger or acquisition, a Form 8621 filer must use a reference ID number that correlates the previous reference ID number with the new reference ID number assigned to the PFIC, QEF, or QIC.
- In the case of an entity classification election that is made on behalf of a PFIC, QEF, or QIC on Form 8832, Regulations section 301.6109-1(b)(2)(v) requires the PFIC, QEF, or QIC to have an EIN for this election. For the first year that Form 8621 is filed after an entity classification election is made on behalf of the PFIC, QEF, or QIC on Form 8832, the new EIN must be entered in the applicable entry space above Part I of Form 8621 and the old reference ID number must be entered in the applicable entry space just below. In subsequent years, the Form 8621 filer may continue to enter both the EIN and the reference ID number, but must enter at least the EIN.

You must correlate the reference ID numbers as follows: New reference ID number [space] Old reference ID number. If there is more than one old reference ID number, you must enter a space between each such number. As indicated above, the [length](#) of a given reference ID number is limited to 50 characters and each number must be alphanumeric and no special characters are permitted.

Note. This correlation requirement applies only to the first year the new reference ID number is used.

Part I. Summary of Annual Information

Who Must Complete Part I

In general, all shareholders required to file Form 8621 under section 1298(f) and the regulations thereunder must complete Part I. However, a shareholder of a PFIC that is marked to market under a Code provision other than section 1296 (such as section 475) is not required to complete Part I unless it is subject to section 1291 with respect to the PFIC pursuant to Regulations section 1.1291-1(c)(4)(ii). See T.D. 9806.

Shareholders filing a joint return may file a single Form 8621 with respect to a single PFIC in which each joint filer owns an interest.

Shareholders that are the first U.S. person in the chain of ownership. Regulations section 1.1298-1 generally requires a U.S. person that is at the lowest tier in a chain of ownership (that is, the first U.S. person in the chain of ownership) and that is a shareholder (including an indirect shareholder) of a PFIC to complete Part I for each PFIC owned by that shareholder during the shareholder's tax year.

Specific filing requirements apply with respect to [domestic grantor trusts](#), as described further in these Instructions.

Exceptions to these filing requirements are described below under [Exceptions to Filing Part I](#).

Shareholders that are not the first U.S. person in the chain of ownership. In general, an indirect shareholder that is not the first U.S. person in the chain of ownership is not required to complete Part I unless the indirect shareholder:

- Is treated as receiving an excess distribution from the PFIC;
- Is treated as recognizing gain that is treated as an excess distribution as a result of a disposition of the PFIC;
- Is required to include an amount in income under section 1293(a) with respect to the PFIC, unless another shareholder through which the indirect shareholder owns the PFIC files under section 1298(f) with respect to the PFIC and no other exception applies;
- Is required to include an amount in income under section 1296(a) with respect to the PFIC, unless another shareholder through which the indirect shareholder owns the PFIC files under section 1298(f) with respect to the PFIC; or
- Is required to report the status of a section 1294 election with respect to the PFIC.

See Regulations section 1.1298-1(b)(2) for further information.

Domestic grantor trusts. In general, a U.S. grantor of a domestic grantor trust that owns an interest in a PFIC (directly or indirectly) through one or more foreign entities must complete Part I with respect to that PFIC interest. See Regulations sections 1.1291-1(b)(8)(iii)(D) and 1.1298-1(b)

(1)(iii). In those circumstances, a domestic grantor trust is not required to complete Part I with respect to the stock of the PFIC that is owned by the grantor. For certain exceptions, see Regulations section 1.1298-1(b)(3)(i).

Exceptions to Filing Part I

A shareholder is exempt from completing Part I if it meets one of the exceptions described below.

Special rules for estates and trusts. Certain U.S. grantors and beneficiaries of estates and trusts may qualify for an exception to filing Part I.

- A U.S. grantor of a domestic grantor trust is not required to complete Part I if the trust is a domestic liquidating trust or a widely held fixed investment trust, as described in Regulations section 1.1298-1(b)(3)(i). In these circumstances, the domestic grantor trust is required to complete Part I.
- In certain situations, a shareholder who is a member or beneficiary of (or participant in) an arrangement treated as a foreign pension fund under a U.S. income tax treaty that owns an interest in a PFIC is not required to complete Part I with respect to the PFIC. See Regulations section 1.1298-1(c)(4).
- A U.S. beneficiary of a foreign nongrantor trust or foreign estate is not required to complete Part I with respect to the stock of the PFIC that is owned by the trust or estate unless it has made a QEF or section 1296 mark-to-market election, received an excess distribution, or recognized gain treated as an excess distribution with respect to the stock of the PFIC. See Regulations section 1.1298-1(b)(3)(ii).

Exempt organizations. In general, if a shareholder of a PFIC is a tax-exempt organization, the shareholder is required to complete Part I only if income derived with respect to the PFIC stock would be taxable to the shareholder under subchapter F. See Regulations section 1.1298-1(c)(1).

Exception if aggregate value of shareholder's PFIC stock is \$25,000 or less. A shareholder is not required to complete Part I with respect to a specific section 1291 fund if the shareholder meets the \$25,000 exception on the last day of the shareholder's tax year and the shareholder does not receive an excess distribution from, or recognize gain on the sale or disposition of the stock of, the section 1291 fund. For purposes of determining whether a shareholder satisfies the \$25,000 threshold, the shareholder takes into account all PFIC stock (QEFs, section 1291 funds, and PFIC stock subject to a section 1296 mark-to-market election) owned directly or indirectly other than PFIC stock owned through another U.S. person or PFIC stock owned through another PFIC. Shareholders filing a joint return have a combined threshold of \$50,000 instead of \$25,000 for purposes of this exception.

For more information, see Regulations section 1.1298-1(c)(2).

Exception if the value of shareholder's indirect PFIC stock is \$5,000 or less. A shareholder is not required to complete Part I with respect to indirect ownership of a specific section 1291 fund if the shareholder meets the \$5,000 exception with respect to the section 1291 fund on the last day of the shareholder's tax year and the shareholder does not receive an excess distribution from, or recognize gain on the sale or disposition of the stock of, the section 1291 fund. For purposes of determining whether a shareholder satisfies the \$5,000 threshold, the shareholder

takes into account only the value of the shareholder's proportionate share of the section 1291 fund.

For more information, see Regulations section 1.1298-1(c)(2).

Line Instructions

Line 1. Describe each class of shares held by the shareholder.

Line 2. Provide the date during the tax year that the shares were acquired, if applicable.

Line 3. List the number of shares held at the end of the tax year.

Line 4. Indicate the value of the shares held at the end of the tax year. Shareholders may rely upon periodic account statements provided at least annually to determine the value of a PFIC unless the shareholder has actual knowledge or reason to know based on readily accessible information that the statements do not reflect a reasonable estimate of the PFIC's value.

Line 5. Indicate the type of PFIC and the amount of any excess distribution or gain treated as an excess distribution under section 1291, inclusion under section 1293, and inclusion or deduction under section 1296.

Note. In cases in which a shareholder's ownership interest in a PFIC is not denominated in shares, the shareholder must provide the information for lines 1 through 4 based on its form of ownership in the PFIC.

Part II. Elections

A. Election To Treat the PFIC as a QEF (Section 1295 Election)

Who May Make the Election

Generally, a U.S. person that owns stock in a PFIC, directly or indirectly, may make Election A to treat the PFIC as a QEF.

Note. A **separate** election must be made for each PFIC that the shareholder wants to treat as a QEF.

Exception. A tax-exempt organization that is not taxable under section 1291 may not make the election. In addition, a tax-exempt organization that is not taxable under section 1291 is not subject to a QEF election made by a pass-through entity.

Chain of ownership. In a chain of ownership, only the first U.S. person that is a direct or indirect shareholder of the PFIC may make the election.

Pass-through entities. A QEF election made by a domestic partnership, S corporation, or estate is made in the pass-through entity's capacity as a shareholder of a PFIC. The entity will include the QEF earnings as income for the year in which the PFIC's tax year ends. The interest holder in the pass-through entity takes the income into account under the rules applicable to inclusions of income from the pass-through entity.

Affiliated groups. The common parent of an affiliated group of corporations that joins in filing a consolidated income tax return makes the QEF election for all members of the affiliated group that are shareholders in the PFIC. An election by a common parent is effective for all members of the group

that own stock in the PFIC at the time the election is made or any time thereafter.

For more information on who may make the election, see Regulations section 1.1295-1(d).

When To Make the Election

Generally, a shareholder must make the election to be treated as a QEF by the due date, including extensions, for filing the shareholder's income tax return for the first tax year to which the election will apply (the "election due date"). See [Retroactive election](#) below for exceptions. The foreign corporation will be treated as a QEF with respect to the shareholder for the tax year in which the election is made and for each subsequent tax year of the foreign corporation ending with or within a tax year of the shareholder for which the election is effective.

Retroactive election. A shareholder may make a QEF election for a tax year **after** the election due date (a retroactive election) only if:

- The shareholder has preserved its right to make a retroactive election under the [protective statement regime](#) (described below), or
- The shareholder obtains the permission of the IRS to make a retroactive election under the [consent regime](#) (described later).

Protective statement regime. Under the protective statement regime, a shareholder may preserve the ability to make a retroactive election if the shareholder:

1. Reasonably believed, as of the due date for making the QEF election, that the foreign corporation was not a PFIC for its tax year that ended during that year (retroactive election year);
2. Filed a Protective Statement (see below) with respect to the foreign corporation, applicable to the retroactive election year, in which the shareholder describes the basis for its reasonable belief;
3. Extended, in the Protective Statement, the periods of limitations on the assessment of taxes under the PFIC rules for all tax years to which the protective statement applies; and
4. Complied with the other terms and conditions of the protective statements.

The Protective Statement must be attached to the shareholder's tax return for the shareholder's first tax year to which the statement will apply. For required content of the statement and other information, see Regulations section 1.1295-3(c).

Consent regime. Under the consent regime, a shareholder that has not satisfied the requirements of the protective regime may request that the IRS permit a retroactive election. The consent regime applies only if:

1. The shareholder reasonably relied on tax advice of a competent and qualified tax professional;
2. The interest of the U.S. Government will not be prejudiced if the consent is granted;
3. The shareholder requests consent before the PFIC status issue is raised on audit; and
4. The shareholder satisfies the procedural requirements under Regulations section 1.1295-3(f)(4).

For more information on making a retroactive election, see Regulations section 1.1295-3.

Special Rules

For rules relating to the invalidation, termination, or revocation of a section 1295 election, see Regulations section 1295-1(i). Also, see Regulations section 1.1295-1(c)(2) for rules relating to the years to which a section 1295 election applies.

How To Make the Election

For the tax year in which the section 1295 election is made, the shareholder must do the following.

1. Check box A in Part II of Form 8621.
2. Complete the applicable lines of Part III. Include the information provided in the [PFIC Annual Information Statement](#), [Annual Intermediary Statement](#), or a [combined statement](#) (see below) received from the PFIC.
3. Attach Form 8621 to a timely filed tax return (or, if applicable, partnership or exempt organization return).

For each subsequent tax year in which the election applies and the corporation is treated as a QEF, the shareholder must:

1. Complete the applicable lines of Part III, and
2. Attach Form 8621 to a timely filed tax return (or, if applicable, a partnership or exempt organization return).

Annual Election Requirements of the PFIC or Intermediary

PFIC Annual Information Statement. For each year of the PFIC ending in a tax year of a shareholder to which the QEF election applies, the PFIC must provide the shareholders with a PFIC Annual Information Statement. The statement must contain certain information, including:

1. The shareholder's pro rata share of the PFIC's ordinary earnings and net capital gain for that tax year, or
2. Sufficient information to enable the shareholder to calculate its pro rata share of the PFIC's ordinary earnings and net capital gain for that tax year.

For other information required to be included in the PFIC Annual Information Statement, see Regulations section 1.1295-1(g).

Annual Intermediary Statement. If the shareholder holds stock in a PFIC through an intermediary, an Annual Intermediary Statement may be issued in lieu of the PFIC Annual Information Statement. For the definition of an "intermediary," see Regulations section 1.1295-1(j). For details on the information that should be included in the Annual Intermediary Statement, see Regulations section 1.1295-1(g)(3).

Combined statements. A PFIC that owns directly or indirectly any shares of stock in one or more PFICs may provide its shareholders with a PFIC Annual Information Statement in which it combines its own required information and representations with the information and representations of any lower-tier PFIC. Similarly, an intermediary through which a shareholder indirectly holds stock in more than one PFIC may provide the shareholder with a combined Annual

Intermediary Statement. For more information, see Regulations section 1.1295-1(g)(4).

Documentation. For all tax years subject to the section 1295 election, the shareholder must keep copies of all Forms 8621, attachments, and PFIC Annual Information Statements or Annual Intermediary Statements. Failure to produce these documents at the request of the IRS may result in invalidation or termination of the section 1295 election. See Regulations section 1.1295-1(f)(2)(ii). In rare and unusual circumstances, the IRS will consider requests for alternative documentation to verify the ordinary earnings and net capital gain of the PFIC. For more information, see Regulations section 1.1295-1(g)(2).

B. Election To Extend Time for Payment of Tax

Who May Make the Election

A shareholder of a QEF may make Election B to extend the time for payment of the tax on its share of the undistributed earnings of the fund for the current tax year. If a U.S. partnership is a shareholder of a QEF, the election is made at the partner level.

Special Rules

- If this election is made, interest will be imposed on the amount of the deferred tax. This interest must be paid on the termination of the election (see the instructions for Part VI, [line 24](#), later).
- The election cannot be made for any earnings on shares disposed of during the tax year or for a tax year that any portion of the shareholder's pro rata share of the fund's earnings is included in income under section 951 (relating to CFCs).

When To Make the Election

Generally, this election must be made by the due date, including extensions, of the shareholder's tax return for the tax year for which the shareholder reports the income related to the deferred tax.

How To Make the Election

Take these steps to make this election.

1. Check box B in Part II.
2. Complete lines 8a through 9c of Part III.

For more information on making Election B, see Temporary Regulations section 1.1294-1T.

Note: The temporary regulations instruct taxpayers to file a duplicate copy of the election with the Philadelphia service center, in addition to filing the election with their returns for the year. Taxpayers may, but are not required to, file the duplicate copy.

See [Part VI](#) for annual reporting requirements for outstanding section 1294 elections.

C. Election To Mark to Market PFIC Stock (Section 1296 Election)

Who May Make the Election

Generally, an election to mark to market PFIC stock under section 1296 may be made by:

- A U.S. person who owns (or is treated as owning) [marketable stock](#) (defined earlier) in a PFIC at the close of such person's tax year, or
- A RIC that meets the requirements of section 1296(e)(2).

For more information, see section 1296 and Regulations section 1.1296-1. See sections 1296(f) and (g) and Regulations sections 1.1296-1(e) and (h)(1)(ii) for information regarding stock owned through certain foreign entities.

When To Make the Election

This election must be made on or before the due date (including extensions) of the U.S. person's income tax return for the tax year in which the stock is marked to market under section 1296. A section 1296 election by a CFC is made by its controlling domestic shareholders (as defined in Regulations section 1.964-1(c)(5)). For more information, see Regulations section 1.1296-1(h)(1)(ii). Once made, the election applies to all subsequent tax years unless the election is revoked or terminated pursuant to Regulations section 1.1296-1(h)(3).

How To Make the Election

Take these steps to make this election.

1. Check box C in Part II.
2. Complete either (a) Part V to calculate the amount due under section 1291 (when required, as generally described in the next paragraph), or (b) Part IV to calculate the gain or loss on the stock in all other cases.

Coordination of Election C with section 1291 for first year of election. In general, when a shareholder makes a mark-to-market election for PFIC stock in a year other than the first year in which the shareholder holds stock in the PFIC and no QEF election is in effect, the PFIC stock is treated as sold at fair market value on the last day of the tax year for which the election is made, and the gain is treated as an excess distribution subject to section 1291. In addition, any distributions made during the year with respect to the PFIC stock are subject to section 1291. See section 1296(j) and Regulations section 1.1296-1(i).

D. Deemed Sale Election in Connection With a QEF Election

Who May Make the Election

This is a deemed sale election under section 1291(d)(2)(A). This election may be made by a U.S. person that elects to treat a PFIC as a QEF for a foreign corporation's tax year following its first tax year as a PFIC included in the shareholder's holding period (an unpedigreed QEF). A shareholder making this election is deemed to have sold the PFIC stock as of the first day of the PFIC's first tax year as a QEF (the qualification date) for its fair market value.

Special Rules

For purposes of this election, the following apply.

- The gain from the deemed sale is taxed as an excess distribution received on the qualification date.
- The basis of the shareholder's PFIC stock held directly, or the stock or other property owned directly by the shareholder through which ownership of the PFIC is attributed to the shareholder, is increased by the gain recognized. The manner in which the basis adjustment is made depends on whether the shareholder is a direct or indirect shareholder. See Regulations section 1.1291-10(f).
- Solely for purposes of applying the PFIC rules, the shareholder's holding period of the stock begins on the qualification date.
- The election may be made for stock on which the shareholder will realize a loss, but that loss cannot be recognized. In addition, there is no basis adjustment for a loss.
- After the deemed sale, the PFIC becomes a pedigreed QEF with respect to the shareholder.

When To Make the Election

This election must be made by the due date, including extensions, of the shareholder's original tax return (or by filing an amended return within 3 years of the due date of the original return) for the tax year that includes the qualification date.

How To Make the Election

Take these steps to make this election.

1. Check box D in Part II.
2. Enter the gain or loss on line 15f of Part V.
3. If a gain is entered, complete line 16 to report the tax and interest due on the excess distribution.

For more information regarding making Election D, see Regulations section 1.1291-10.

E. Deemed Dividend Election in Connection With a QEF Election

Who May Make the Election

This is a deemed dividend election under section 1291(d)(2)(B). This election may be made by a U.S. person that elects to treat a PFIC that is also a CFC as a QEF for the foreign corporation's tax year following its first tax year as a PFIC included in the shareholder's holding period (an unpedigreed QEF).

A shareholder making this election is treated as receiving a dividend equal to its pro rata share of the [post-1986 earnings and profits](#) (defined below in *Special Rules*) of the PFIC on the qualification date (defined under the instructions for [Election D](#), earlier). The deemed dividend is taxed as an excess distribution, allocated only to the days in the shareholder's holding period during which the foreign corporation qualified as a PFIC. For this purpose, the shareholder's holding period ends on the day before the qualification date.

Special Rules

For purposes of this election, the following apply.

- The term "post-1986 earnings and profits" means the undistributed earnings and profits of the PFIC (as of the day before the qualification date) accumulated and not distributed in tax years beginning after 1986 during which the foreign corporation was a PFIC and while the shareholder held the stock (but without regard to whether the earnings relate to a period in which the PFIC was a CFC).
- The basis of the shareholder's PFIC stock held directly, or the stock or other property owned directly by the shareholder through which ownership of the PFIC is attributed to the shareholder, is increased by the amount of the deemed dividend. The manner in which the basis adjustment is made depends on whether the shareholder is a direct or indirect shareholder. See Regulations section 1.1291-9(f).
- Solely for purposes of applying the PFIC rules, the shareholder's holding period begins on the qualification date.

When To Make the Election

This election must be made by the due date (including extensions) of the shareholder's original tax return (or by filing an amended return within 3 years of the due date of the original return) for the tax year that includes the qualification date.

How To Make the Election

Take these steps to make this election.

1. Check box E in Part II.
2. Enter the dividend on line 15e of Part V as an excess distribution.
3. Complete line 16 to figure the tax and interest due on the excess distribution.

Attachments. The shareholder must attach a statement to Form 8621 that demonstrates the calculation of its pro rata share of the post-1986 earnings and profits of the PFIC that are treated as distributed to the shareholder on the qualification date. The post-1986 earnings and profits may be reduced (but not below zero) by the amount that the shareholder satisfactorily demonstrates was previously included in its income or in the income of another U.S. person. The shareholder demonstrates this by including in the statement mentioned above the following information:

- The name, address, and identifying number of the U.S. person and the amount that was included in income;
- The tax year in which the amount was previously included in income;
- The provision of law under which the amount was previously included in income;
- A description of the transaction in which the shareholder acquired the stock of the PFIC from the other U.S. person; and
- The provision of law under which the shareholder's holding period includes the holding period of the other U.S. person.

For more information on making Election E, see Regulations section 1.1291-9.

F. Deemed Sale Election With Respect to a Former PFIC or “Section 1297(e) PFIC”

Who May Make the Election

This is a deemed sale election under section 1298(b)(1) and Regulations section 1.1297-3(b) or 1.1298-3(b). This election may be made by:

- A U.S. person that is a shareholder of a foreign corporation that no longer qualifies as a PFIC under either the income or asset test of section 1297(a), or
- A U.S. shareholder (as defined in section 951(b)) that owns stock in a foreign corporation that is a CFC and a PFIC, but that is not treated as a PFIC with respect to the U.S. shareholder under section 1297(d).

Such persons may elect to treat the stock of the foreign corporation as sold for its fair market value on the last day of the last tax year of the foreign corporation in which it was treated as a PFIC (termination date) or the first day on which the qualified portion of the shareholder's holding period in the section 1297(e) PFIC begins (qualification date), as applicable.

Special Rules

- The gain from the deemed sale is taxed as an excess distribution.
- The basis of the shareholder's PFIC stock held directly, or the stock or other property owned directly by the shareholder through which ownership of the PFIC is attributed to the shareholder, is increased by the amount of the excess distribution taxed to the shareholder making Election F. The manner in which the basis adjustment is made depends on whether the shareholder is a direct or indirect shareholder. See Regulations sections 1.1297-3(b)(5) and 1.1298-3(b)(5).
- Solely for purposes of applying the PFIC rules, the new holding period of the stock begins on the date after the termination date or on the qualification date, as applicable.
- Election F may be made for stock on which there would be a loss, but the loss is not recognized.

For more information on making this election, see Regulations sections 1.1297-3(b) (section 1297(e) PFIC) and 1.1298-3(b) (former PFIC).

When To Make the Election

This election must be made by the due date of the shareholder's original tax return (or by filing an amended return within 3 years of the due date, as extended under section 6081, of the original return) for the tax year that includes, as appropriate, either the termination date or qualification date. However, see Form 8621-A (and Regulations sections 1.1297-3(e) and 1.1298-3(e)) if the 3-year period has expired.

How To Make the Election

Take these steps to make this election.

1. Check box F in Part II.
2. Enter the gain or loss on line 15f of Part V. If a gain, complete the rest of Part V.

G. Deemed Dividend Election With Respect to a “Section 1297(e) PFIC”

Who May Make the Election

This is a deemed dividend election under section 1298(b)(1) and Regulations section 1.1297-3(c). This election may be made by a shareholder that is a U.S. shareholder (as defined in section 951(b)) of a foreign corporation that is a CFC and a PFIC, but that is not treated as a PFIC with respect to the U.S. shareholder under section 1297(d).

Special Rules

A shareholder making this election is treated as receiving a dividend of its pro rata share of the post-1986 earnings and profits (defined later in [Attachments](#)) of the section 1297(e) PFIC on the CFC qualification date (as defined in Regulations section 1.1297-3(d)). The deemed dividend is taxed under section 1291 as an excess distribution, allocated only to the days in the shareholder's holding period during which the foreign corporation qualified as a PFIC. For this purpose, the shareholder's holding period ends on the day before the CFC qualification date. After the deemed dividend election, the shareholder's stock is not treated as stock in a PFIC.

For purposes of this election, the following rules apply:

- The basis of the shareholder's PFIC stock held directly, or the stock or other property owned directly by the shareholder through which ownership of the PFIC is attributed to the shareholder, is increased by the amount of the deemed dividend. The manner in which the basis adjustment is made depends on whether the shareholder is a direct or [indirect shareholder](#) (as defined earlier). See Regulations section 1.1297-3(c)(6).
- Solely for purposes of applying the PFIC rules, the shareholder's new holding period begins on the CFC qualification date.

When To Make the Election

Make this election by the due date of the shareholder's original return (or by filing an amended return within 3 years of the due date, as extended under section 6081, of the original return) for the tax year that includes the first day on which the qualified portion of the shareholder's holding period in the PFIC begins, as determined under section 1297(d). However, see Form 8621-A (and Regulations section 1.1297-3(e)) if the 3-year period has expired.

How To Make the Election

Take these steps to make this election.

1. Check box G in Part II.
2. Enter the excess distribution on line 15e of Part V.
3. If the excess distribution is greater than zero, complete line 16 to figure the tax and interest due on the excess distribution.
4. Attach to Form 8621 the information specified below.

Attachments

The shareholder must attach a statement to Form 8621 that shows the calculation of its pro rata share of the post-1986

earnings and profits of the section 1297(e) PFIC (as defined in Regulations section 1.1291-9(j)(2)(v)) that is treated as distributed to the shareholder on the CFC qualification date.

- The CFC qualification date, as defined in Regulations section 1.1297-3(d), for the Section 1297(e) PFIC.
- The beginning and ending dates of the tax year of the shareholder in which the CFC qualification date falls (that is, the election year).
- The shareholder's pro rata share of the post-1986 earnings and profits of the Section 1297(e) PFIC that is treated as distributed to the shareholder on the CFC qualification date, including a schedule that shows the calculation of this amount as required under Regulations section 1.1297-3(c)(5)(ii). In addition, if the shareholder filed a Form 5471 for the Section 1297(e) PFIC for the election year, attach Schedule J (Form 5471).

The post-1986 earnings and profits may be reduced (but not below zero) by the amount that the shareholder satisfactorily shows was previously included in its income or in the income of another U.S. person. The shareholder shows this by including in the statement mentioned above the following information:

- The name, address, and identifying number of the U.S. person and the amount that was included in income.
- A description of the transaction in which the shareholder acquired the stock of the Section 1297(e) PFIC from the other U.S. person.
- The tax year in which the amount was previously included in income.
- The provision of law under which the shareholder's holding period includes the holding period of the other U.S. person.

For more information on making Election G, see Regulations section 1.1297-3(c).

H. Deemed Dividend Election With Respect to a Former PFIC

Who May Make the Election

This is a deemed dividend election under section 1298(b)(1) and Regulations section 1.1298-3(c). This election may be made by a shareholder of a foreign corporation that no longer qualifies as a PFIC under either the income or asset test of section 1297(a) if the foreign corporation was a CFC during its last tax year as a PFIC.

Special Rules

A shareholder making this election is treated as receiving a dividend of its pro rata share of the post-1986 earnings and profits (defined later in [Attachments](#)) of the former PFIC on the termination date (as defined in Regulations section 1.1298-3(d)). The deemed dividend is taxed under section 1291 as an excess distribution, allocated only to the days in the shareholder's holding period during which the foreign corporation qualified as a PFIC. For this purpose, the shareholder's holding period ends on the termination date. After the deemed dividend election, the shareholder's stock is not treated as stock in a PFIC.

For purposes of this election, the following rules apply:

- The basis of the shareholder's PFIC stock held directly, or the stock or other property owned directly by the shareholder through which ownership of the PFIC is attributed to the shareholder, is increased by the amount of the deemed

dividend. The manner in which the basis adjustment is made depends on whether the shareholder is a direct or [indirect shareholder](#) (as defined earlier). See Regulations section 1.1298-3(c)(6).

- Solely for purposes of applying the PFIC rules, the shareholder's new holding period begins on the day following the termination date.

When To Make the Election

This election must be made by the due date of the shareholder's original return (or by filing an amended return within 3 years of the due date, as extended under section 6081, of the original return) for the tax year that includes the first day on which the qualified portion of the shareholder's holding period in the PFIC begins, as determined under section 1297(d). However, see Form 8621-A (and Regulations section 1.1298-3(e)) if the 3-year period has expired.

How To Make the Election

Take these steps to make this election.

1. Check box H in Part II.
2. Enter the excess distribution on line 15e of Part V.
3. If the excess distribution is greater than zero, complete line 16 to figure the tax and interest due on the excess distribution.
4. Attach to Form 8621 the information specified below.

Attachments

The shareholder must attach a statement to Form 8621 that shows the calculation of its pro rata share of the post-1986 earnings and profits of the former PFIC that is treated as distributed to the shareholder on the termination date.

- The termination date, as defined in Regulations section 1.1298-3(d), for the former PFIC.
- The beginning and ending dates of the tax year of the shareholder in which the termination date falls (that is, the election year).
- The shareholder's pro rata share of the post-1986 earnings and profits of the former PFIC that is treated as distributed to the shareholder on the termination date, including a schedule that shows the calculation of this amount as required under Regulations section 1.1298-3(c)(5)(ii). In addition, if the shareholder filed a Form 5471 for the former PFIC for the election year, attach Schedule J (Form 5471).

The post-1986 earnings and profits may be reduced (but not below zero) by the amount that the shareholder satisfactorily shows was previously included in its income or in the income of another U.S. person. The shareholder shows this by including in the statement mentioned above the following information.

- The name, address, and identifying number of the U.S. person and the amount that was included in income.
- The tax year in which the amount was previously included in income.
- The provision of law under which the amount was previously included in income.
- A description of the transaction in which the shareholder acquired the stock of the former PFIC from the other U.S. person.

- The provision of law under which the shareholder's holding period includes the holding period of the other U.S. person.

For more information on making Election H, see Regulations section 1.1298-3(c).

Part III. Income From a QEF

For any tax year in which the foreign corporation is not treated as a QEF because it is not a PFIC under section 1297(a), the shareholder is not required to complete Part III. However, the section 1295 election is not terminated. If the foreign corporation is treated as a PFIC in any subsequent tax year, the original election continues to apply and the shareholder must include in Part III its pro rata share of ordinary earnings and net capital gain and must also comply with the section 1295 annual reporting requirements.

All QEF shareholders complete lines 6a through 7c. If you are making Election B, also complete lines 8a through 9c.

Lines 6 and 7

Lines 6a and 7a. Enter on lines 6a and 7a, respectively, your pro rata share of the ordinary earnings and net capital gain of the QEF. The PFIC should provide these amounts or information that will help you determine your pro rata share. See [Annual Election Requirements of the PFIC or Intermediary](#), earlier.

Lines 6b and 7b. Your share of the ordinary earnings and net capital gain of the QEF is reduced by the amounts you include in income under section 951 for the tax year with respect to the QEF. Your share of these amounts may also be reduced as provided in section 1293(g).

Line 6c. This amount is treated as ordinary income on your tax return.

For a noncorporate taxpayer, include this amount as "other income" on Schedule 1 (Form 1040), line 8z, or on the comparable line of other noncorporate tax returns. For a corporate taxpayer, include this amount as "other income" on line 10 of Form 1120, or on the comparable line of other corporate tax returns.

Line 7c. See the instructions for the Schedule D used for your tax return. Portions of the net capital gain may have to be reported on different lines of Schedule D, depending upon the information provided by the QEF concerning the section 1(h) categories of net capital gains and amounts thereof, derived by the QEF. See Regulations section 1.1293-1(a)(2) for three options a QEF may use to report and calculate capital gain.

Line 8

If you receive a distribution from the QEF during the current tax year, the distribution is first treated as a distribution out of the earnings and profits of the QEF accumulated during the year. If the total amount distributed (line 8b) exceeds the amount included in income (line 8a), the excess is treated as distributed out of the most recently accumulated earnings and profits. This amount is not taxable to you if you can satisfactorily demonstrate that the excess was previously included in your income or the income of another U.S. person. This is demonstrated by attaching a statement to Form 8621 that includes the information listed under [Attachments](#) for Election E, earlier. If the excess has not been previously included in your income or the income of another

U.S. person, then the excess is subject to tax according to the rules of section 301(c).

Line 9

Line 9a. Enter the total tax on your total taxable income (including your share of undistributed earnings of the QEF) for the tax year (for example, from Form 1120, Schedule J, line 11; or Form 1040, line 24).

For this purpose, "undistributed earnings" is the excess, if any, of the amount included in gross income under section 1293(a) over the sum of the amount of any distribution and the portion of the amount attributable to stock in the QEF that you transferred or otherwise disposed of before the end of the QEF's tax year.

Line 9b. Calculate your total tax as if your total taxable income did not include your share of the undistributed earnings of the QEF (line 8e). Enter this amount on line 9b.

Line 9c. For corporations, enter this deferred tax on Form 1120, Schedule J, in brackets to the left of the entry space for line 11. Subtract this deferred tax amount from the sum of lines 7, 8, and 10, and enter the difference on line 11.

For individuals, enter this deferred tax on Form 1040 in brackets to the left of the entry space for line 24. Subtract this deferred tax amount from the sum of lines 22 and 23, and enter the difference on line 24.

Part IV. Gain or (Loss) From a Section 1296 Mark-to-Market Election

A shareholder that has made a mark-to-market election under section 1296 with respect to PFIC stock completes lines 10a through 12 with respect to PFIC stock that the shareholder holds at the close of its tax year, and lines 13a through 14c, with respect to PFIC stock that it sold or disposed of during its tax year.

As discussed earlier in [Mark-to-Market Election](#), a shareholder may be required to complete Part V, rather than Part IV, in the first year in which a mark-to-market election is made. See section 1296(j) and Regulations sections 1.1291-1(c)(4) and 1.1296-1(i).

Lines 10a Through 12

If the fair market value of the PFIC stock as of the close of the tax year is more than the U.S. person's adjusted basis in the stock, the excess is treated as ordinary income.

If the adjusted basis of the stock is more than the fair market value as of the close of the tax year, the excess is allowed as a deduction, but only to the extent of, the lesser of:

1. The amount of the excess (line 10c), or
2. The [Unreversed inclusions](#) (defined below) with respect to such stock (line 11).

This amount is treated as an ordinary loss and as a deduction allowable in computing adjusted gross income.

Unreversed inclusions. Unreversed inclusions are the excess of the amounts that were included in income under the section 1296 mark-to-market rules for prior tax years over the amounts allowed as a deduction under the section 1296 mark-to-market rules for prior tax years. See section 1296(d) and Regulations section 1.1296-1(a)(3).

Lines 10c and 12. Corporations and individuals should include the gain or (loss) on the “other income” line of their tax returns. Other entities should include this amount on the comparable line of their tax return. However, RICs, for purposes of section 851(b), should treat amounts included in income as a dividend.

If a CFC makes a section 1296 mark-to-market election with respect to a PFIC in which it owns stock, any line 10c gain is treated as foreign personal holding company income and any line 12 loss is treated as a deduction that is allocable to foreign personal holding company income.

Lines 13 Through 14c

Complete lines 13 through 14c if you sold or otherwise disposed of any section 1296 stock during the tax year. For purposes of lines 13 through 14c, “section 1296 stock” is any stock for which the taxpayer has made a mark-to-market election pursuant to section 1296(a), which is in effect for the tax year and for which the coordination rule of Regulations section 1.1296-1(i) does not apply.

Line 13c. If the fair market value of the stock on the date of sale or disposition (line 13a) is more than the U.S. person's adjusted basis in the stock on the date of sale or disposition (line 13b), the line 13c excess is a gain and is treated as ordinary income. Corporations and individuals should include the gain on the “other income” line of their tax returns. Other entities should include this amount on the comparable line of their tax return. However, RICs, for purposes of section 851(b), should treat this amount as a dividend.

If the adjusted basis of the stock (line 13b) is more than its fair market value (line 13a), the excess is a loss and is entered on line 13c as such. Furthermore, the filer must complete lines 14a and 14b, and, if applicable, line 14c.

Line 14a. Enter any [Unreversed inclusions](#) with respect to the stock (see definition, earlier).

Line 14b. Enter the loss from line 13c, but only to the extent of unreversed inclusions on line 14a. This loss is treated as ordinary loss. Corporations and individuals should include the loss on the “other income” line of their tax returns. Other entities should include this amount on the comparable line of their tax return.

Line 14c. Enter the amount by which the loss on line 13c is more than the unreversed inclusions. This amount is subject to the rules generally applicable to losses provided elsewhere in the Code and regulations thereunder. See Regulations section 1.1296-1(c)(4)(ii).

Multiple dispositions. In the case of multiple dispositions, attach a statement for each disposition using the same format shown on lines 13 through 14c. Then:

- Enter “multiple” on lines 13a, 13b, and 14a.
- Enter your net ordinary gains on line 13c (do not enter any net losses on line 13c).
- Enter your net ordinary losses on line 14b.
- Enter your net “other” losses on line 14c.

For more information relating to mark-to-market elections under section 1296, see Regulations sections 1.1296-1 and 1.1296-2.

Part V. Distributions From and Dispositions of Stock of a Section 1291 Fund

See [Section 1291 Fund](#), earlier, for the definition of a section 1291 fund and also for a brief summary of the tax consequences for shareholders of a section 1291 fund.

Also, see [Section 1291 Fund](#) and [Mark-to-Market Election](#), earlier, for a brief discussion of when a shareholder may be subject to section 1291 in the year that it makes a mark-to-market election under any provision of the Code, including section 1296.

Complete a separate Part V for each excess distribution. That is, if you receive a distribution from a section 1291 fund with respect to shares for which you have different holding periods, complete lines 15a through 15e separately for each block of shares that has the same holding period (“applicable stock”). If you dispose of stock in a section 1291 fund for which you have different holding periods, complete line 15f for each block of shares that has the same holding period.

Line 15

Lines 15a and 15b

Enter your total distributions from the section 1291 fund with respect to the applicable stock for the periods indicated.

Note. A 10%-or-greater domestic corporation shareholder might be able to claim a deemed paid foreign tax credit under section 902 with respect to a distribution from a section 1291 fund in the fund's tax year beginning before January 1, 2018. See Form 1118, Foreign Tax Credits—Corporations, to calculate the taxes deemed paid and the gross-up amount.

Line 15a. If the holding period of the applicable stock began in the current tax year, there is no excess distribution and you should complete Part V as follows: Enter on line 15a the total distributions you received from the section 1291 fund with respect to that stock during the current tax year. If you did not dispose of that stock during the tax year, do not complete the rest of Part V. If you did dispose of that stock during the tax year, skip lines 15b through 15e and complete lines 15f and 16.

If the holding period of the applicable stock began in the current tax year, the line 15a amount is taxed according to the rules of section 301. To the extent that section 301(c)(1) is applicable, include the amount as a dividend on your income tax return. For corporations, include this line 15a amount on Form 1120, Schedule C, line 14. For individuals, include this line 15a amount on Form 1040, line 3b (and, if applicable, on Schedule B (Form 1040), line 5).

Line 15c. Divide the amount on line 15b by 3. If the number of tax years in your holding period preceding the current tax year is less than 3, divide the amount on line 15b by that number.

Line 15e

Nonexcess distribution. The nonexcess distribution is the lesser of line 15a or line 15d. This amount is taxed according to the rules of section 301. To the extent that section 301(c)(1) is applicable, include the amount as a dividend on your income tax return. For corporations, include this amount on

Form 1120, Schedule C, line 14. For individuals, include this amount on Form 1040, line 3b (and, if applicable, on Schedule B (Form 1040), line 5).

Excess distributions. If you received more than one distribution during the tax year with respect to the applicable stock, the excess distribution is apportioned among all actual distributions. Each apportioned amount is treated as a separate excess distribution.

Line 15f. Gain recognized on the disposition of stock of a section 1291 fund is treated as an excess distribution. Loss realized on the disposition of stock of a section 1291 fund is not taken into account under section 1291 and thus, for example, does not reduce the amount of total gain subject to section 1291. However, the loss may be recognized under another provision of the Code and reported accordingly. Stock of a section 1291 fund is considered disposed of if it is sold, transferred, or pledged.

Line 16

Lines 16a and 16b

Determine the taxation of the excess distribution on a separate sheet and attach it to Form 8621. Divide the amount on line 15e or 15f, whichever applies, by the number of days in your holding period. The holding period of the stock is treated as ending on the date of the distribution or disposition.

Special rules apply to the holding period if:

- The deemed dividend election (Election E) is made. See the instructions earlier for [Election E](#).
- The mark-to-market election (Election C) is made or was made in a prior year (see section 1291(a)(3)(A)(ii)).
- The deemed dividend election with respect to a Section 1297(e) PFIC (Election G) or with respect to a Former PFIC (Election H) is made. See the instructions for [Election G](#) and [Election H](#), earlier.

Determine the amount allocable to each tax year in your holding period by adding the amounts allocated to the days in each such tax year. Add the amounts allocated to the pre-PFIC and current tax years. Enter the sum on line 16b.

This amount is treated as ordinary income (for example, individuals and corporations should enter this amount on the “other income” line of their tax return).

Line 16c. Determine the increase in tax for each tax year in your holding period (other than the current tax year and pre-PFIC years). An increase in tax is determined for each PFIC year by multiplying the part of the excess distribution allocated to each year (as determined on line 16a) by the highest rate of tax under section 1 or section 11, whichever applies, in effect for that tax year. Add the increases in tax computed for all years. Enter the aggregate increases in tax (before credits) on line 16c.

The following table sets forth the highest rate of tax in effect under section 1 (applicable to individuals) for calendar years 1987 through 2024.

Tax Rates

Tax year(s) (based on calendar year taxpayer)	Highest rate of tax in effect under IRC section 1
2018–2024	37%
2013–2017	39.6%
2003–2012	35%
2002	38.6%
2001	39.1%
1993–2000	39.6%
1991–1992	31%
1988–1990	28%
1987	38.5%

Line 16d. To figure the foreign tax credit, the shareholder of a section 1291 fund figures the total creditable foreign taxes attributable to the distribution. This amount includes the withholding taxes paid by the shareholder on the distribution and, in the case of the tax year of a section 1291 fund that begins before 2018, for 10%-or-greater domestic corporate shareholders, any taxes deemed paid under section 902. These taxes must be creditable under general foreign tax credit principles, and the shareholder must choose to claim the foreign tax credit for the current tax year.

The excess distribution taxes (the creditable foreign taxes attributable to an excess distribution) are determined by apportioning the total creditable foreign taxes between the part of the distribution that is an excess distribution and the part that is not.

The excess distribution taxes are allocated in the same manner as the excess distribution is allocated. See [Excess distributions](#), earlier. Those taxes allocated to pre-PFIC tax years and the current tax year are taken into account for the current tax year under the general rules of the foreign tax credit.

The excess distribution taxes allocated to a PFIC year only reduce the increase in tax figured for that tax year (but not below zero). No carryover of any unused excess distribution taxes is allowed.

When you dispose of PFIC stock, the above foreign tax credit rules apply only to the part of the gain that, without regard to section 1291, would be treated under section 1248 as a dividend.

Line 16e. This amount is the total increase in tax and is included on your tax return as additional taxes.

For individuals, include the amount as part of the total for Form 1040, line 16. Check box 3 on line 16 and enter “1291TAX” in the entry space for that box.

For corporations, enter this amount on Form 1120, Schedule J, to the left of the entry space for line 1. Enter “Sec. 1291” next to the amount and include it as part of the total for line 1. Other entities should use the comparable line on their income tax return.

Line 16f. Interest is charged on each net increase in tax for the period beginning on the due date (without regard to extensions) of your income tax return for the tax year to which an increase in tax is attributable and ending with the due date (without regard to extensions) of your income tax return for the tax year of the excess distribution.

The amount of interest is determined by using the rates and methods under section 6621. See section 1291(c)(3) for more information regarding the computation of interest, and also see Revenue Ruling 2024-18, 2024-37 I.R.B. 584 (or successor Revenue Ruling) for a list of historical interest rates under section 6621.

For individuals, include the interest on Schedule 2 (Form 1040), line 17p.

For corporations, include the interest as part of the total for Form 1120, Schedule J, line 9z. See the instructions for Form 1120, Schedule J, line 9z.

Part VI. Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections

Each person who has made a section 1294 election must (1) complete lines 17 through 20 to annually report the status of that election, and (2) complete lines 21 through 24 to report the termination of any section 1294 election that occurred during the tax year. See Temporary Regulations section 1.1294-1T(h).

Line 17. Enter the last day of each tax year for which you made a section 1294 election that is outstanding. Enter as MM/DD/YYYY. Do not include an election made in the current tax year.

Line 18. Enter the undistributed earnings of the QEF in the year for which the payment of tax was extended by the section 1294 election entered on line 17. If the election was partially terminated in a prior year, enter the remaining undistributed earnings.

Line 19. Enter the tax for which payment was extended by the section 1294 election entered on line 17. If the election was partially terminated in the previous tax year, enter the balance of the deferred tax from line 25 of the prior year Form 8621.

Line 20. Enter the accrued interest (determined under section 6621) on the deferred tax. This is the interest accrued from the due date (not including extensions) of the return for the year for which the section 1294 election was made until the date the current year's return is filed.

Line 21. Enter the event(s) that occurred during the tax year that terminated one or more of the section 1294 elections reported on line 17. A section 1294 election may be terminated voluntarily. However, an election will terminate automatically, in whole or in part, when any of the following events occur:

- An actual or deemed distribution of earnings to which the election is attributable (a loan, pledge, or guarantee by the QEF to or for the benefit of the taxpayer may cause a deemed distribution of the earnings);
- A disposition of stock in the QEF, including a pledge by the taxpayer of stock as security for a loan; or
- A change of status of the QEF (that is, a foreign corporation that is no longer a QEF or PFIC).

Line 22. Enter the earnings distributed or deemed distributed as a result of the events described on line 21. Earnings are treated as distributed out of the most recently accumulated earnings and profits. Accordingly, an event will first terminate the most recently made election.

An election may be terminated in whole or in part depending on the event causing the termination. Examples are as follows.

- A distribution of earnings will terminate an election to the extent the election is attributable to the earnings distributed.
- A loan, pledge, or guarantee by the QEF made directly or indirectly to the electing shareholder or related person will terminate an election to the extent of the undistributed earnings equal to the amount loaned, secured, or guaranteed.
- A disposition of stock will terminate all elections with respect to the undistributed earnings attributable to that stock.
- A change in status of the QEF will terminate **all** elections.

For more information, see Regulations section 1.1294-1T(e).

Line 23. Enter the deferred tax due from the termination of the section 1294 election. The deferred tax entered on line 19 is due if the election was completely terminated. If the election was only partially terminated, a proportionate amount of the deferred tax is due. That amount is determined by multiplying the amount entered on line 19 by a fraction, of which the numerator is the amount entered on line 22 and the denominator is the amount entered on line 18. The deferred tax is due by the due date of the shareholder's income tax return (without regard to extensions) for the year of termination.

When the election is terminated, corporations include the deferred tax as part of the total for Form 1120, Schedule J, line 11. Also, enter the deferred tax to the left of line 11 and label it as "Sec. 1294 deferred tax."

For individuals, include the deferred tax as part of the total for Schedule 2 (Form 1040), line 17z. Enter "1294DT" and the amount of the deferred tax in the entry space for that line.

Line 24. Enter the interest accrued on the deferred tax. Interest accrues beginning on the due date (without regard to extensions) of your tax return for the tax year in which the section 1294 election is made and ending with the due date (without regard to extensions) of your tax return for the tax year of the termination. Interest is computed using the rates and methods under section 6621.

For corporations, enter the amount of section 1294 interest on Form 1120, Schedule J, line 11, and label it as "Sec. 1294 interest."

For individuals, include the interest from line 24 on Schedule 2 (Form 1040), line 17q.

Lines 25 and 26. Complete lines 25 and 26 only if a section 1294 election is partially terminated. Enter on line 25 the part of the deferred tax outstanding after the partial termination of the section 1294 election. This amount should equal line 19 minus line 23.

Note. As indicated in the line 19 instructions, for next year, be sure to enter the line 25 amount of this year's Form 8621 on line 19 of next year's Form 8621.

Enter on line 26 the accrued interest remaining after the partial termination of the section 1294 election. This amount should equal line 20 minus line 24.

Disclosure, Privacy Act, and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 6001, 6011, 6012(a), and 6109, and their regulations, require you to provide this information. We need this information to ensure that you are complying with the Internal Revenue laws and to allow us to figure and determine the right amount of tax. You must fill in all parts of the tax form that apply to you. If you do not file a return under circumstances requiring its filing, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution.

We may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions and commonwealths for use in administering their tax laws. We may also disclose to foreign countries pursuant to a treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

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The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and the estimated burden for business taxpayers is approved under OMB control number 1545-0123. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping	16 hr., 58 min.
Learning about the law or the form.	11 hr., 24 min.
Preparing and sending the form to the IRS	20 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send the tax form to this office. Instead, see [When and Where To File](#), earlier.