

Agenda

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BEPS, Brexit, Tax Reform

Shifting Tax Landscape – Pressure on the Supply Chain

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Buy-Sell Conversions

Do Nothing

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Declare a PE

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Convert to Branch

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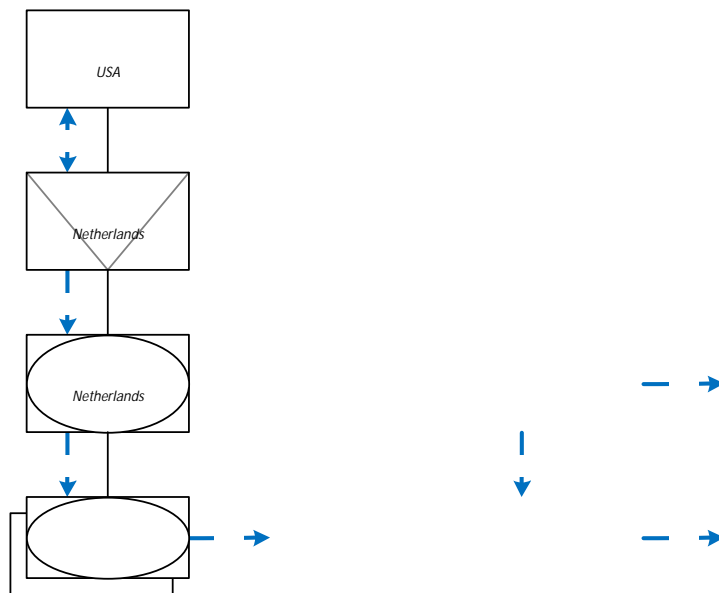
Convert to Reseller

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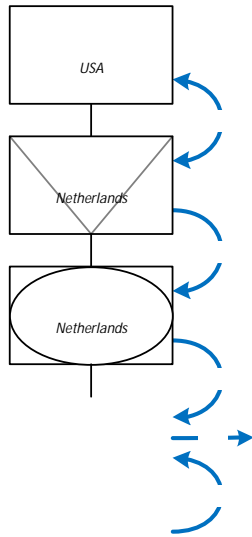
Reseller Defense

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Local Reseller Structures



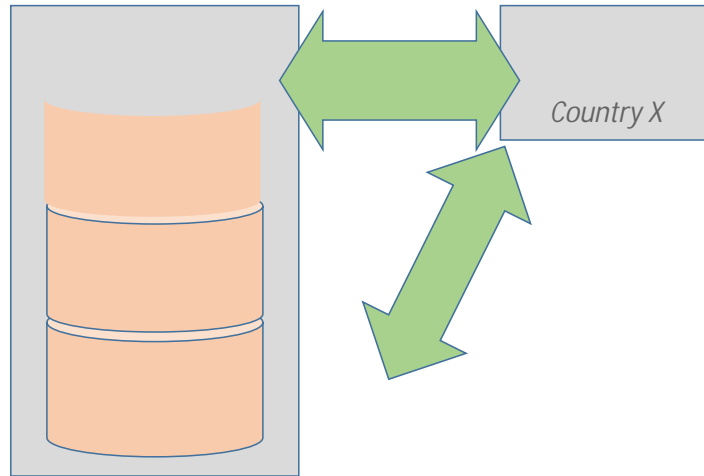
Master Reseller Structures



Challenges of Reseller Conversion

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Distribution IP and Digital Services



IRS Targeting Inbound Distributors

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Subpart F Challenges

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§ 482 Changes Targeting Business Opportunities

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Beyond BEPS

Virtual and Forced PEs

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Taxing Software and Online Services

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EU: Taxing the Digital Single Market

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International tax reform – scope of US international taxation (House Bill)



Foreign High Return Amount

New Category of Un-deferred Income: High Return Category

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Excise Tax on Related Party Payments

New Excise Tax

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Foreign corporate recipient election to treat specified amount as ECI—new § 882(g)

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Key Point: This provision applies in both the inbound and outbound context.

Supply chain considerations

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CFC1 *is not* the actual tax incurred by CFC1 deemed expenses limited to \$100m because net income ratio of

State Tax Considerations



About this presentation