U.S. corporate tax directors and individuals holding foreign assets face increasing complexities and growing transparency obligations, particularly after the enactment of the Tax Cuts and Jobs Act of 2017 (TCJA), the OECD BEPS initiative, and the EU State Aid investigations. Caplin & Drysdale’s International Tax Group offers seasoned guidance and innovative thinking to address these challenges. After more than five decades of navigating sophisticated cross-border matters for our clients—including transfer pricing, structuring, tax treaty matters, and all manner of controversy—our experience is deep and broad. Lawyers in the Group have formerly held senior roles in the Internal Revenue Service, the Department of Justice, and the Treasury Department, and can offer insight into how U.S. tax law is administered and enforced. Others had senior in-house positions with leading multinational companies, affording a practical perspective. Our collective experience in government, corporate, and private practice allows us to bring a unique combination of technical background, tactical judgment, and problem-solving savvy to resolving our clients’ most-sensitive matters. Additionally, our boutique structure means we can offer clients direct access to highly-skilled practitioners. Our broad network of top-notch foreign advisors enables around-the-globe collaboration, customized to the client’s particular situation and preferences. The Group’s lawyers are regularly sought after by the media for their opinions on the most pressing international tax issues, including responding to the provisions of the TCJA, transfer pricing and offshore voluntary disclosure. We continually receive high ratings from professional ranking services, including recent recognition as a Top-Tier Firm for Tax Controversy by The Legal 500, as a leading U.S. tax law firm by Chambers USA, and as leading tax and transfer pricing advisors globally by Euromoney’s Expert Guides.

Contact us to learn more about our International Tax practice.
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Structuring International Transactions, Operations, and Investments
We can:
• Choose the most cost-effective foreign entity consistent with your business or personal needs.
• Analyze the application of the FIRS and GILTI rules and design deduction maximization strategies.
• Apply the new rules governing transactions between related domestic and foreign entities.
• Navigate all aspects of the taxation of U.S.-based corporate, trust, and partnership documents.

We work with our clients to:
• Prepare corporate, trust, and partnership documents.
• Review foreign tax credits and design credit optimization strategies.
• Analyze withholding “laws” of taxation.
• Obtain advance rulings to ensure approval by relevant taxing authorities.
• Restructure as business considerations or foreign tax rule changes.
• Evaluate transfer pricing consequences and opportunities.

At Caplin & Drysdale, structuring international transactions, operations, and investments is a systematic, risk-based, and tax-efficient practice. We advise taxpayers on tax-efficient structuring of cross-border investments, including optimum use of tax treaties, foreign tax credits, tax deferral, and entity classifications. We also help multinational enterprises with tax treaties, foreign tax credits, tax deferrals, and entity classifications. We advise taxpayers on tax-efficient structuring of cross-border investments, including optimum use of tax treaties, foreign tax credits, tax deferral, and entity classifications.

We can help resolve transfer pricing disputes when they arise, whether through alternative dispute resolution mechanisms, litigation, or government enforcement. We provide taxpayers with the information and advice necessary to vigorously defend their tax positions.

We regularly handle IRS examinations at the revenue agent level, either directly or behind the scenes as an advisor to the client’s tax team. We have developed a reputations for excellence in taxpayer representation. Our tax lawyers have extensive experience in even the most sensitive circumstances.

We bring the combination of a substantive, technical background in complicated international tax issues, the nimbleness of a boutique, and the tactical judgment of experienced litigators to advise in even the most sensitive circumstances.

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We handle:
• Strategic and day-to-day dispute resolutions of IRS audits, Appeals, and Specialized proceedings (as well as mediation and arbitration), as well as judicial proceedings.
• Customer support, client care holders, and American businesses on rectifying prior tax non-compliance.

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International Tax

Interpreting and Applying the TCJA
The TCJA is the most significant tax law in decades, impacting U.S. and international businesses in numerous ways. Businesses and their advisors face a daunting task of understanding all the new rules, how they impact existing operations and long-term tax consequences, of which some are direct and obvious while others are indirect and more subtle. Choice of entity can be critical to the outcome, and choosing the “best” rules offers many planning opportunities.

We can:
• Choose the most cost-efficient foreign entity consistent with your business or personal needs.
• Analyze the application of the FDII and GILTI rules, and design deduction-mitigation strategies.
• Apply the new rules regarding transactions between related domestic and foreign entities.
• Navigate all aspects of the U.S.-based multinational company, including the Subpart F regime as amended by the provisions of the TCJA.
• Design changes in the application of the foreign tax credit rules.
• Examine and interpret the tax implications of the tax treaties.
• Prepare corporate tax returns and partnership documents.
• Review foreign tax credits and design credit-optimization strategies.
• Analyze statutory “inbound” taxation.
• Obtain advance rulings to ensure approval by relevant tax authorities.

In addition to the broad base erosion and anti-abuse tax (BEAT), limits on the deductibility of interest, and limitations on the deductibility of amounts paid to related hybrid entities, many businesses have been caught off guard by the new requirements. Understanding these and planning ahead are critical elements in businesses’ efforts to deal with these new issues.

Structuring International Transactions, Operations, and Investments
We advise clients on tax-efficient structuring of cross-border investments, including optimum use of foreign situs consistent classification. We also help multinational enterprises with tax treaties, foreign tax credits, tax deferrals, and entity classifications. We work collaboratively with the client’s tax department and in many of these cases. On a daily basis, our firm’s experienced litigators to advise in even the most sensitive circumstances.

Resolving Transfer Pricing Issues
Our lawyers have handled over a thousand cases involving the failure of U.S. taxpayers to report foreign financial accounts and have analyzed the extent of tax avoidance by individuals and American businesses on rectifying prior tax non-compliance.

Additional International Tax-Related Services
The wide scope of Caplin & Drysdale’s services to foreign entities and individuals also includes extensive practices in the following high-profile areas:
• Foreign tax Withholding Rules
• Cross-border Financing and Financial Products
• Foreign Exchange Rules
We regularly handle IRS examinations at the revenue agent level, either directly or behind the scenes as an advisor to the client’s tax department. We participate actively the IRS Appeals Office level, developing strategy, preparing written protests and negotiating with Appeals. We also assist with audits involving entities having complex or foreign legal issues.

We bring the combination of a substantive, technical background in complicated international tax issues, the nimbleness of a boutique, and the tactical judgment of experienced litigators to advise in even the most sensitive circumstances.

Caplin & Drysdale has extensive experience in U.S. international tax disputes involving the IRS and the Department of Justice. Many of our lawyers served in senior litigation positions for the government, and the firm has handled the full range of tax disputes, including civil examinations involving Subpart F cases and other businesses facing complex issues or undisclosed foreign state aid. Our clients include banking and financial products, pharmaceuticals, electronics, serviços, software, development, telecommunications, insurance, medical equipment, telecommunication, crude oil field services, luxury brands, industrial equipment, distribution of automobiles and automotive components, fertilizer, and steel. We work collaboratively with the economics and analytics practices at major accounting firms and in many countries, and are familiar with the extensive ongoing changes to the U.S. tax rules.

We advise on strategies for effectively structuring transactions. We also shepherd the process to completion.

Address transfer pricing issues in foreign legal proceedings, where experience with U.S. tax law is especially pertinent.

We recently handled IRS examinations at the revenue agent level, either directly or behind the scenes as an advisor to the client’s tax department.

We provide expert witness in foreign legal proceedings where experience with U.S. tax law (and experience is essential)

We can:
• Advise on transfer pricing and the applicability of transfer pricing to your situation.
• Advise on strategies for complying with Competent Authority relief proposed a tailored request, and shepherd the process to completion.
• If your companies or your personnel or government officials who are negotiating or renegotiating a particular treaty.
• Cooperate with foreign entities to handle foreign aspects of your case.
• Serve as expert witness in foreign legal proceedings, where experience with U.S. tax law is especially pertinent.

The IRS APAA Program provides a backstop to the IRS, as well as an opportunity for U.S. entities to avoid penalties by establishing or applying for relief.

Regarding Foreign Bank Accounts
We handle foreign bank accounts, as well as judicial proceedings, as well as civil and criminal investigations.

We provide advice on strategies for effectively structuring transactions. We also shepherd the process to completion.

We can:
• Address transfer pricing and permanent establishment (PE) assets, both in the planning stage and in controversy.
• In today’s environment it is difficult to keep up with the changes.

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We provide advice on strategies for effectively structuring transactions. We also shepherd the process to completion.

We can:
• Address transfer pricing and permanent establishment (PE) assets, both in the planning stage and in controversy.
• In today’s environment it is difficult to keep up with the changes.

Resolving Transfer Pricing Issues
Enforcing transfer pricing rules and profit allocation rules for cross-border dealings between related parties and businesses is a top audit priority for U.S. tax authorities. The enactment of the TCJA, the IRS’s journal of Subpart F cases, and the multifaceted initiatives of the OECD, including its comprehensive Base Erosion and Profit Shifting (BEPS) project, and related decisions by the United Nations directed at emerging markets, further focused their respective efforts.

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Structuring International Transactions, Operations, and Investments

We can:

• Advise on the most tax-efficient structure for your entity or domestic business.
• Analyze the application of the FIRPTA and GILTI rules, and design deduction-maximization strategies.
• Apply the necessary controls regarding transactions between related domestic and foreign entities.
• Navigate all aspects of the U.S.-based international transactions, including the Subpart F regime as amended by the provisions of the TCJA.
• Design expansion rules and treaty rules.
• Prepare corporate trust and partnership documents.
• Review foreign tax credit rules and design credit optimization strategies.
• Analyze and optimize “inversion” issues of taxation.
• Obtain advance rulings to ensure approval by relevant tax authorities.
• Structure as business considerations or foreign tax challenges.
• Evaluate transfer pricing consequences and opportunities.

At Caplin & Drysdale, structuring international transactions, investments, and operations is a substantive segment of our practice. We advise taxpayers on tax-efficient structuring of international transactions, including optimum use of tax treaties, foreign tax credits, tax deferral, and entity classification. We also help multinational enterprises navigate the tense strategic management of international tax exposures.

Resolving Transfer Pricing Issues

Enforcing transfer pricing and profit allocation rules for cross-border dealings between related parties and businesses is a top audit priority for U.S. taxpayers and the IRS. The Tax Court, the IRS, and the Tax Court of Appeals have issued numerous opinions currently in effect, and some revolve closely on transfer pricing issues on a day-to-day basis.

Our Competent Authority process is designed to help taxpayers minimize international double taxation and to prevent other forms of avulsive taxation by taxpayers in an international context. Many taxpayers are unfamiliar with the Competent Authority mechanism. Caplin & Drysdale understands the process, knows the players, and uses the process on a regular basis with principal foreign counterparts to benefit our clients. We are closely monitoring and evaluating ongoing changes to the U.S. Competent Authority rule and process, which can significantly affect case resolution strategies and opportunities, as well as the potential impact of the BEAT and FDI on the Competent Authority process.

We can:

• Advise on transfer pricing interpretation and the applicability of treaty provisions to your situation.
• Advise on strategies for obtaining Competent Authority relief, prepare a tailored request, and shepherd the process to completion.
• Make your concerns or the concerns of your government officials known to the situation, re-negotiation or re-negotiating a particular treaty.
• Coordinate with foreign advisors to handle foreign aspects of your case.
• Serve as expert witness in foreign legal proceedings where experienced with U.S. tax law and the relevant treat.

We can help resolve transfer pricing disputes when they do arise. Our lawyers have handled scores of large dollar transfer pricing cases at every stage of complex international controversies. We have acted as lead counsel, Competent Authority, and litigation, for both U.S. and foreign taxpayers. The significant tax issues have involved manufacturing, distribution, development, sales, logistics, services, intangibles, and transactions, and other problems. Our clients’ industries include banking and financial products, pharmaceuticals, electronics, telecommunications, software, healthcare, telecommunications, insurance, medical equipment, technology, crude oil field services, luxury brands, industrial equipment, distribution of automobiles and automotive components, and more. We work collaboratively with the economics and analytic practices at major accounting firms and our clients to devise and implement strategies to help clients obtain favorable treatment of disputed issues.

Tax Controversies: Examinations, Criminal Investigations, Voluntary Disclosures

Caplin & Drysdale has extensive experience in U.S. international tax controversies involving the IRS and the Department of Justice. Many of our lawyers served in senior litigation positions for the government, and the firm has handled the full range of tax disputes, including civil examinations involving Fortune 500 companies and other businesses facing complex issues involving tax issues, audit sales, high-value transactions, tax advisers, and other transactions. Our lawyers have invested countless hours advising clients on criminal tax controversies, many of whom also have been subject to U.S. tax authorities.

We can:

• Handle strategic and day-to-day issues of IRS audits, Appeals, and special procedures (such as criminal investigations and audits), as well as judicial proceedings.
• Coordinate clients’ strategies and information sharing.
• Advise clients on sensitive issues of criminal tax controversies.
• Defend clients in cases involving criminal tax allegations.

Additional International Tax-Related Services

We bring the combination of a substantive, technical background in complicated international tax issues, the nimbleness of a boutique, and the tactical judgment of experienced litigators to advise in even the most sensitive circumstances.

• Foreign Account Tax Compliance Act (FATCA)
• Department of Justice Program for Swiss Banks
• Multinational Tax Planning
• Cross-Border Taxation and Financial Products
• Foreign Exchange Rules
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