

# 5 questions every Tax, Treasury, and Logistics executive should ask in light of the changing international tax landscape

Finance executives of U.S. multinational organizations (“MNEs”) should review how the interplay of the following initiatives can impact them: (i) Pending U.S. tax reform’s international proposals; (ii) the OECD’s BEPS initiative; and (iii) Brexit.

## 1

### HOW DOES THE INTERPLAY OF THESE THREE INITIATIVES IMPACT:

- ▶ Tax profile
- ▶ Treasury options
- ▶ Supply chain
- ▶ Corporate structure
- ▶ Global effective tax rate



## 2

### WHAT AREAS SHOULD BE VETTED?

- ▶ Identify tax efficient repatriation options.
- ▶ Maximize foreign tax credits and after tax cash balances.
- ▶ Navigate the potential “one-time tax” on foreign earnings under certain U.S. tax reform proposals.
- ▶ Rework EU structures to mitigate IP, finance and supply chain challenges, as well as potential local exit and withholding taxes.
- ▶ Evaluate overall impact on tax and financial disclosures.



## 3

### WHAT TAX ATTRIBUTES SHOULD BE REVIEWED?

- ▶ Locate sources and calculate earnings and profits (“E&P”).
- ▶ Calculate foreign tax pools.
- ▶ Analyze foreign subsidiary share basis and fair market value.



## 4

### WHAT ARE THE KEY AREAS OF PLANNING CONSIDERATIONS?

- ▶ Holding company structures
- ▶ Intellectual property situs
- ▶ Tax attribute utilization
- ▶ Supply chain modification



## 5

### NEXT STEPS?

- ▶ Review common denominators to evaluate alternatives (i.e., assess inventory of cash, including “trapped” cash; firm up E&P and associated foreign tax pools; analyze share and asset tax basis).
- ▶ Reduce or harvest tax attributes as appropriate.
- ▶ Model practical options for repatriation of foreign earnings.
- ▶ Identify practical changes to the supply chain that balance the U.S. tax reform proposal’s potential territorial system implementation against the BEPS/EU/Brexit framework.
- ▶ Consider approaches to income tax filings and transfer pricing.





## HOW CAN BDO HELP?

Calculating tax attributes and identifying how they drive practical and proactive plans requires a broad view by seasoned and technical international tax specialists. Our specialists have the deep quantitative analytical skills necessary to provide a foundation for these complex projects. We leverage technology to achieve efficiency, reduce response time, and provide the support your business requires. BDO is equipped with standardized and user-friendly models that are designed to accommodate a variety of data input formats, and can effectively and efficiently quantify the attributes that will be required to assess and implement planning alternatives.

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