International Taxation

Overview

We are actively involved in virtually every area of international taxation, from cross-border mergers and acquisitions, to joint ventures, spin-offs, restructurings, financings and leasing transactions. Our clients include both public and closely held companies involved in a wide range of activities, from manufacturing, food and energy production and distribution, to securities, software, healthcare, and real estate development and management. We have helped structure venture capital and hedge funds and have advised on the acquisition, operation and disposition of a variety of public and private companies in Canada, Europe, the Middle East and Far East. We represent entertainers, athletes, corporate executives and wealthy individuals and families with assets and members in multiple jurisdictions. We work closely with foreign tax counsel to maximize overall tax-efficiency, coordinating U.S. tax rules with those of the appropriate foreign jurisdictions.

Foreign Business Activities in the United States

Our attorneys are deeply involved in all aspects of planning for foreign investors, from selecting a business vehicle, to structuring transactions and evaluating operating alternatives. Such “inbound” planning often involves avoiding the establishment of a U.S. trade or business or “permanent establishment,” as well as the use of derivative investments, portfolio interest, and other techniques to minimize U.S. withholding taxes. Our in-depth experience with U.S. income tax treaties includes the “tie-breaker” provisions for dual residents and the anti-abuse provisions designed to limit treaty access in circumstances where the foreign investor may be “treaty shopping” or may not be considered the beneficial owner.

We have extensive experience with the FIRPTA tax rules that apply to investments in U.S. real property by foreign investors. We represent foreign hedge funds and private equity funds that invest in U.S. real property, and we have structured investments through partnership and trust vehicles so as to balance the often-conflicting objectives of limiting exposure to U.S. estate taxes while minimizing U.S. income taxes. We also advise foreign shipping companies on the taxation of their U.S. source shipping income and the requirements for tax exemption.

We advise foreign individuals who relocate to the United States on pre-immigration tax planning, restructuring investments, and the complex reporting requirements applicable to U.S. residents with interests in foreign corporations, partnerships, trusts, and foreign financial accounts.

U.S. Business Activities Abroad

We advise U.S. public and privately held clients on their international operations, from structuring cross-border activities in manufacturing, sales and financing, including currency and interest-rate swaps, to minimizing the impact of Subpart F and the passive foreign investment company rules. We have helped clients plan real estate and hotel developments in Europe and the Caribbean, establish factories in the Far East, incorporate offshore insurance companies, and launch foreign private equity funds. We have counseled REITs, pension funds, and other tax-exempt entities on the special rules that apply to their offshore activities and investments.

Our extensive experience with cross-border acquisitions includes the anti-abuse rules that can trigger tax in connection with “inbound” mergers of foreign corporations into domestic corporations and “outbound” mergers of domestic corporations into foreign corporations. We have helped clients navigate the complex rules that apply to the transfer of intangible property to a foreign corporation, and we also have broad experience with intercompany pricing of goods and services, licenses, and Advance Pricing Agreements.

We assist clients with the reporting requirements for interests in foreign corporations, partnerships, trusts, and foreign financial accounts. And we also counsel individuals on the benefits of renouncing their U.S. citizenship or status as a permanent resident alien and the impact of the new “anti-expatriation” rules.
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