

Instructions for Form 5471

(Rev. January 2024)

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

Volume 3 of 4



Department of the Treasury
Internal Revenue Service

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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/financialinformation/datastandards.html#scrollTo=currencycodes.

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/irb/2014-01/irb14-0102.html)).

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 (I), 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 Worksheet H-1 must be attached for each person described in Categories 4, 5a, 5b, and 5c with respect to which reporting is furnished on this Form 5471 that is an applicable corporation within the meaning of section 59(k). Worksheet H-1 and instructions are provided later in these instructions.

Note. Category 5b and 5c 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.

Worksheet H-1

Complete a separate Worksheet H-1 in machine-readable Excel format for each person described in Categories 4, 5a, 5b, and 5c with respect to which reporting is furnished on this Form 5471 that is an applicable corporation within the meaning of section 59(k).

Filer's Pro Rata Share of CFC Adjusted Net Income or Loss for Corporate Alternative Minimum Tax				
1	Net income (or loss) set forth on the applicable financial statement			1
2	Adjustments made to line 1 (see instructions)	Net additions	Net subtractions	
a	Statements covering different taxable years	2a		
b	Consolidated financial statements	2b		
c	Consolidated returns	2c		
d	Treatment of dividends and other amounts	2d		
e	Treatment of partnerships	2e		
f	Effectively connected income	2f		
g	Adjustments for certain taxes	2g		
h	Adjustments with respect to disregarded entities	2h		
i	Depreciation	2i		
j	Other adjustments (see instructions)	2j		
3	Total net additions	3		
4	Total net subtractions	4		
5a	Adjusted net income or loss (line 1 plus line 3 minus line 4)			5a
b	Filer's pro rata share of line 5a (see instructions)			5b
c	Adjusted net income or loss in U.S. dollars (see instructions)			5c
d	Enter exchange rate used for line 5c	5d		

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Worksheet H-1 Instructions

Use Worksheet 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 5b in the CFC's functional currency.

Lines 2a through 2j. 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.

Line 2j. Enter the net amount of any additional adjustments not included on lines 2a through 2i. List these additional adjustments on a separate statement. Attach this statement to Form 5471.

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

Line 5c. Enter the line 5b functional currency amount translated into U.S. dollars for the CFC's tax year.

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).