

Our International Tax Services team provides a wide range of tax services for both inbound and outbound corporations as well as for executives whose careers take them around the world. In addition, our affiliation with HLB International gives our clients access to the finest professional services around the globe.



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## INTERNATIONAL TAX

### INTERNATIONAL TAX CHECKLIST

**E**xpansion into global markets challenges companies to many new business issues. One of the challenges is a myriad set of accounting and tax rules of other countries. Avoiding compliance tax traps while taking advantage of international tax planning opportunities can yield significant rewards for properly advised companies.

Multinational business expansion and operations require upfront and continued attention to changing tax rules, business operation changes, and potential tax holidays. Tax results may be impacted by a country's taxing system: territorial system taxing citizens and residents on income derived in the home country only or the credit system taxing worldwide income of its residents and citizens.

This checklist is intended to identify international tax issues that should be addressed by businesses expanding operations abroad.

#### Businesses – Getting Started

- Form of Foreign Operations: branch or subsidiary
- Type of Foreign Entity to use: partnership, corporation, or special local entities
- Liability Exposure on Type of Entity to Use
- Capitalization – debt vs. equity
- Local Country Financing Requirements
- Management and Control-Location
- Investment in Foreign Real Estate
- Holding Company Structures
- Hybrids
- Offshore Finance Companies

Our specialized corporate tax services include:

- International Tax Planning
- Tax Return Compliance
- Income Tax Treaties Interpretation
- Transfer Pricing Issues
- Export Tax Incentives
- Review of Corporate Holding Structures



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- Offshore Leasing Companies
- Offshore Trading Companies
- Offshore/Captive Insurance Companies
- Identify Tax Incentives:
  - Tax Holidays
  - Tax credits for capital infusion, and other business expansion
  - Withholding on repatriations of profits
  - Manufacturing incentives
  - Accelerated write-offs on fixed assets
  - Research credits

### **Businesses – Ongoing Operations**

- Expansion – acquire existing business or natural market penetration
- Infrastructure
- VAT/Goods and Services Taxes: Registration and Related Obligations
- Transfer Tax and Stamp Duties
- Local Government Tax Burdens
- Calculation of Foreign Country Taxable Profits
- Sourcing of Income Rules
- Identification of Business Offerings
  - Sale of goods
  - Provision of services
  - Rental of tangible or real property
  - License/royalties of intangible property
  - Franchising

Our team of global professionals can help reduce your tax burden and meet your tax responsibilities with the following specialized services:

- Individual Tax Planning & Compliance
- Investment Holding Structures
- US Taxation of Nonresident Investments
- Tax Equalization Plans
- Social Security Taxation Issues
- Estate & Gift Tax Treaties



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## INTERNATIONAL TAX

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### Cross-Border Transactions

- Tax Treaty Network with Target Country
- Permanent Establishment and Economic Presence
- Transfer Pricing
- Customs-Import/Export
- Exchange Controls
- Controlled Foreign Corporation Rules
- Foreign Tax Credit Utilization
- Trademark, Trade Name, Patent Protection
- Stamp Duties

### Individual Issues

- Employment Permits, Immigration, Visa Issues
- Hire/Fire Issues
- Employment and Payroll Taxes
- Social Taxes
- Totalization Agreements
- Remuneration of Foreign Executives
- Tax Incentives for Expatriate Employees
- Tax Equalization

In summary, key factors to international tax compliance and planning include:

- Appropriate Transfer Pricing
- Choice and location of entity to use (appropriate structure)
- Tax Treaty to avoid double tax on current and repatriated profits
- Exploring home country and host countries tax incentives
- Understanding filing obligations at national and local levels
- Identifying all direct and indirect taxes

