

Note. Actual distributions are taken into account for the tax year before section 951(a)(1)(B) inclusions. See section 959(f)(2). An actual distribution is first out of PTEP, if any, and then out of the section 959(c)(3) balance. See section 959(c).

Note. The total of all amounts entered in Schedule R (Form 5471), column (d) must equal the amount on line 9, column (f) of the Schedule J (Form 5471) that is filed with code "TOTAL" entered on line a of that Schedule J.

Line 10. Use line 10 to report reclassifications of section 959(c)(2) PTEP in columns (e)(vi) through (e)(x) to section 959(c)(1) PTEP in columns (e)(i) through (e)(v). A potential section 951(a)(1)(B) inclusion results in a reclassification of section 959(c)(2) PTEP, if any, to section 959(c)(1) PTEP before reclassification out of the section 959(c)(3) E&P balance. See section 959(a)(2) and (f)(1). The amounts reclassified are reported as negative numbers in columns (e)(vi) through (e)(x) and positive numbers in columns (e)(i) through (e)(v), as applicable.

Line 11. Use this line to report E&P not previously taxed, which is treated as earnings invested in U.S. property and, therefore, reclassified to section 959(c)(1) PTEP (column (e)(iii)). The amounts reclassified are reported as negative numbers in columns (a) through (c) and positive numbers in column (e)(iii), as applicable.

Line 12. Attach a statement detailing the nature and amount of any adjustments in E&P not accounted for on lines 8 through 11. Do not include adjustments required to be reported on line 1b or line 6.

Line 13. The hovering deficit offset included in column (d) is reported as a positive number. The same amount entered in column (d) is reported as a negative number on line 13 of column (a) or (b), as appropriate. See section 381(c)(2)(B) and Regulations section 1.367(b)-7(d)(2)(ii).

Schedule M

Every U.S. person described in Category 4 must file Schedule M to report the transactions that occurred during the foreign corporation's annual accounting period ending with or within the U.S. person's tax year.

If a U.S. corporation that owns stock in a foreign corporation is a member of a consolidated group, list the common parent as the U.S. person filing Schedule M.

Important. In translating the amounts from functional currency to U.S. dollars, use the average exchange rate for the foreign corporation's tax year. See section

989(b). Report the exchange rate in the entry space provided at the top of Schedule M using the "divide-by convention" specified under [Reporting exchange rates on Form 5471](#), earlier.

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. Use the reference ID number shown on Form 5471, line 1b(2).

Lines 4 and 19. Report on these lines platform contribution transaction payments received and paid by the foreign corporation (without giving effect to any netting of payments). See Regulations section 1.482-7(b)(1)(ii). The corporation is required to complete both lines only if the corporation provides a platform contribution to other controlled participants and is required to make platform contribution transaction payments to other controlled participants that provide a platform contribution to other controlled cost sharing arrangement participants.

Lines 5 and 20. Report on these lines cost sharing transaction payments received and paid by the foreign corporation (without giving effect to any netting of payments). See Regulations section 1.482-7(b)(1)(i). The corporation is required to complete line 5 only if the corporation itself incurred intangible development costs. If the corporation does not itself incur intangible development costs, then it should only report cost sharing transaction payments made on line 20.

Lines 9 and 24. Report on line 9 the sum of tiered hybrid dividends received by the foreign corporation during its tax year. Report on line 24 the sum of hybrid dividends or tiered hybrid dividends paid by the foreign corporation during its tax year.

Lines 10 and 25. Report on these lines dividends received and paid by the foreign corporation not previously taxed under subpart F in the current year or in any prior year.

Lines 13 and 28. Report on these lines loan guarantee fees received (line 13) and loan guarantee fees paid (line 28). See section 482.

Lines 14 and 29. Report on these lines "other amounts received" (line 14) and "other amounts paid" (line 29).

If an amount is entered on line 14, you must attach a statement that includes the following information. Column (a) of the attached statement should provide a description of the type of other amounts received during the annual accounting period. Columns (b) through (f) should request dollar amounts of the specified other amounts received during the annual accounting period by the foreign corporation from the persons listed in the headings for columns (b) through (f). These headings must comport to those used on the Schedule M (Form 5471) to which this statement is attached. The attached statement must include a "totals" line that ties into the amounts reported in each column of line 14.

If an amount is entered on line 29, you must attach a statement that includes the following information. Column (a) of the attached statement should provide a description of the type of other amount paid during the annual accounting period. Columns (b) through (f) should request dollar amounts of the specified other amounts paid during the annual accounting period by the foreign corporation to the persons listed in the headings for columns (b) through (f). These headings must comport to those used on the Schedule M (Form 5471) to which this statement is attached. The attached statement must include a "totals" line that ties into the amounts reported in each column of line 29.

Lines 31 and 33. Report on these lines the largest aggregate outstanding accounts receivable and payable balances during the year with the related parties described in columns (b) through (f). Report only accounts receivable or payable arising in connection with the provision of services or the sale or processing of property. Only net accounts receivable and payable to the extent that the CFC's books net the accounts payable against the receivable as payment of the accounts receivable.

Lines 32 and 34. Report on these lines the largest outstanding balances during the year of gross amounts borrowed from, and gross amounts loaned to, the related parties described in columns (b) through (f). Do not enter aggregate cash flows, year-end loan balances, average balances, or net balances. Do not include an account receivable or payable balance arising in connection with the provision of services or the sale or processing of property if the amount of such balance does not, at any time during the tax year, exceed what is ordinary and necessary to carry on the trade or business. Any outstanding balance from these transactions should be reported on the Balance Sheet (Form 5471, Schedule F,

page 4) and possibly also on Schedule M, lines 31 and 33.

Accrued payments and receipts. A corporation that uses an accrual method of accounting must use accrued payments and accrued receipts for purposes of computing the total amount to enter on each line of Schedule M.

Schedule O

Schedule O is used to report the organization or reorganization of a foreign corporation and the acquisition or disposition of its stock.

Every U.S. citizen or resident described in Category 2 must complete Part I. Every U.S. person described in Category 3 must complete Part II.

See Regulations section 1.6046-1(i) for rules on determining when U.S. persons constructively own stock of a foreign corporation and therefore are subject to the section 6046 filing requirements.

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. Use the reference ID number shown on Form 5471, line 1b(2).

Part I

Column (d). Enter the date the shareholder first acquired 10% or more (in value or voting power) of the outstanding stock of the foreign corporation.

Column (e). Enter the date the shareholder acquired (whether in one or more transactions) an additional 10% or more (in value or voting power) of the outstanding stock of the foreign corporation.

Part II

Section A—General Shareholder Information

If the shareholder's latest tax return was filed electronically, enter "e-filed" in column (b)(3) instead of a service center.

Section C—Acquisition of Stock

Section C is completed by shareholders who are completing Schedule O because they have acquired sufficient stock in a foreign corporation. If the shareholder acquired the stock in more than one transaction, use a separate line to report each transaction.

Column (d). Enter the method of acquisition (for example, purchase, gift, bequest, trade).

Column (e)(2). Enter the number of shares acquired indirectly (within the meaning of section 958(a)(2)) by the shareholder listed in column (a).

Column (e)(3). Enter the number of shares constructively owned (within the meaning of section 958(b)) by the shareholder listed in column (a).

Section D—Disposition of Stock

Section D must be completed by shareholders who dispose of their interest (in whole or in part) in a foreign corporation.

Column (d). Enter the method of disposition (for example, sale, bequest, gift, trade).

Example. In 1999, Mr. Jackson, a U.S. citizen, purchased 10,000 shares of common stock of foreign corporation X. The purchase represented 10% ownership of the foreign corporation.

On July 1, 2022, Mr. Jackson made a gift of 5,000 shares of foreign corporation X to his son, John. Because Mr. Jackson has reduced his holding in the foreign corporation, he is required to complete Form 5471 and Schedule O. To show the required information about the disposition, Mr. Jackson completes Section D as follows:

- Enters his name in column (a).
- Enters "common" in column (b).
- Enters "July 1, 2022" in column (c).
- Enters "gift" in column (d).
- Enters "5,000" in column (e)(1).
- Enters "-0-" in column (f) because the disposition was by gift.
- Enters the name and address of his son, John, in column (g).

Section F—Additional Information

Item (b). List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock. If there is more than one such date, use the most recent date. However, do not enter a date for which information was reported on Section E. Instead, enter the date (if any) of any reorganization prior to that date (if it is within the last 4 years).

Example for Item (c). Mr. Lyons, a U.S. person, acquires a 10% ownership in foreign corporation F. F is the 100% owner of two foreign corporations, FI and FJ. F is also a 50% owner of foreign corporation FK. In addition, F is 90% owned by foreign

corporation W. Mr. Lyons does not own any of the stock of corporation W.

Mr. Lyons completes and files Form 5471 and Schedule O for the corporations in which he is a 10% or more shareholder. Mr. Lyons is also required to submit a chart if the foreign corporation is a member of a chain of corporations, and to indicate if he is a 10% or more shareholder in any of those corporations.

Mr. Lyons would prepare a list showing the corporations as follows.

- Corporation W.
- Corporation F.
- Corporation FI.
- Corporation FJ.
- Corporation FK.

Then Mr. Lyons is required to indicate that he is a 10% or more shareholder in corporations F, FI, and FJ.

Schedule P

Use Schedule P to report the PTEP in the U.S. shareholder's annual PTEP accounts with respect to a CFC in the CFC's functional currency (Part I) and the U.S. shareholder's U.S. dollar basis in that PTEP (Part II). For purposes of the preceding sentence, a CFC includes an SFC that is only treated as a CFC for limited purposes under section 965(e)(2).

Note. A separate Schedule P must be completed by each Category 1a, 1b, 4, 5a, or 5b filer.

If a U.S. shareholder wholly owns the CFC, Schedule P should include the same information reported on Schedule J, Part I, column (e). If there is more than one U.S. shareholder, the amounts reported on Schedule P with respect to each U.S. shareholder might be different from the amounts reported on Schedule J.

Example. Corporation A, a domestic corporation, owns 50% of the only class of stock of CFC1 and Corporation B, a domestic corporation, owns the remaining 50% of the stock of CFC1. Corporation A wholly owns the only class of stock of CFC2. The functional currency of all corporations is the U.S. dollar. CFC1 has tested income of \$100x and CFC2 has tested loss of \$30x. See section 951A(c)(2). Neither Corporation A nor Corporation B has any net deemed tangible income return that would reduce the GILTI inclusion of Corporation A or B. Corporation A has a section 951A inclusion of \$20 because its pro rata share of CFC1's tested income (\$50x) is offset by its pro rata share of CFC2's tested loss (\$30x). Corporation B has a section 951A inclusion of \$50x. On Schedule P of the Form 5471 with respect to CFC1 filed by Corporation B, Corporation B will report on line 7, column (h), \$50x of PTEP as a result of its section 951A inclusion with