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**US Tax & Legal Regime for
International Clients**

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OVERVIEW

1. Introduction & Review
2. U.S. Real Estate
3. Developments to Discuss
4. Q&A



WHO IS SUBJECT TO US FEDERAL TAXATION?

- US Citizens
 - “Traditional” Americans
 - “Accidental” Americans
- Residency
 - Green Card
 - Substantial Presence
- US Assets
 - Source
 - Situs



THE MAJOR TYPES OF US TAXES?

- Federal Income Tax
 - Regular Income
 - Capital Gains
- Federal Transfer Tax
 - Gift
 - Estate
 - Generation Skipping
- State & Local Taxes



US REAL ESTATE TAX COMPLICATIONS

- Foreign Investment in Real Property Tax Act (FIRPTA)
- Branch Profits Tax

US CORPORATE TAX RATE

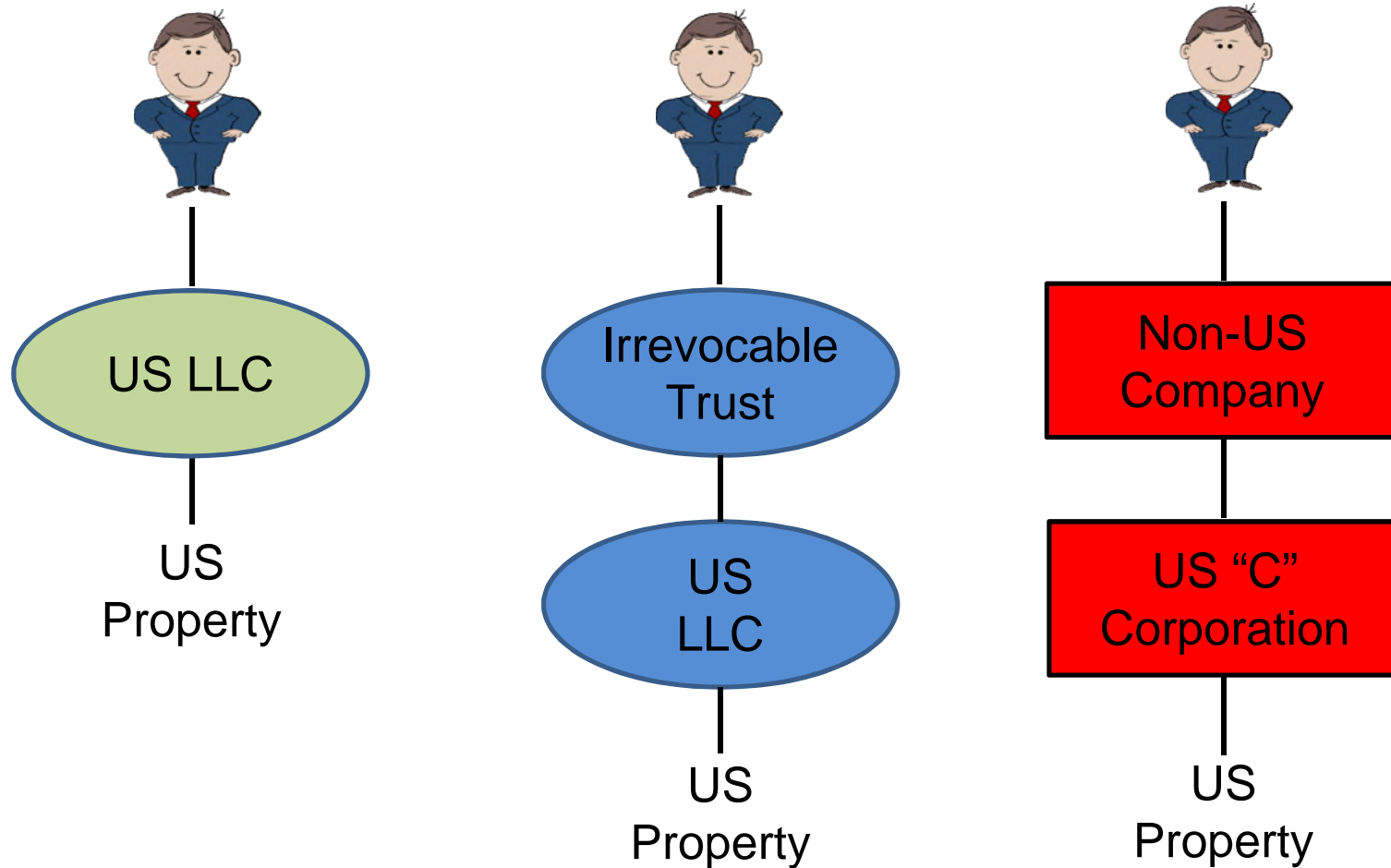
- Prior law
 - Progressive corporate tax rate with a top rate of 35%
- Current Law
 - Flat rate of 21%



US INBOUND STRUCTURING: FOREIGN INVESTMENT INTO THE US

- Traditional Structuring Options
 - Direct Ownership
 - Indirect Ownership Through a Pass Through Entity
 - Indirect Ownership Through a Trust
 - Indirect Ownership Through a non-US Corporation
 - Indirect Ownership Through a Two-Tier corporate Structure
- With the reduced US corporate tax rate of 21%, holding structures for investments in US real property should be revisited
- For example, the two-tier structure may now be more attractive:
 - US estate tax protection
 - Lower US federal income tax on rental income and capital gain on sale

US INBOUND STRUCTURING OPTIONS – TCJA IMPACT





Q&A