SCHEDULE I (Form 1120-F)
(Rev. December 2026)
Department of the Treasury
Internal Revenue Service

Interest Expense Allocation Under Regulations Section 1.882-5

Attach to Form 1120-F.
Go to *www.irs.gov/Form1120F* for instructions and the latest information.

OMB No. 1545-0123

Name of corporation | **Employer identification number**

A Check here if the corporation is a foreign bank as defined in Regulations section 1.882-5(c)(4) . . . . . ☐

B This Schedule I is being completed with respect to (check one):

☐ Adjusted U.S. booked liabilities method under Regulations section 1.882-5(d). **Complete lines 1 through 15 and 21 through 25.**

☐ Separate currency pools method under Regulations section 1.882-5(e). **Complete lines 1 through 9 and 16a through 25.**

Step 1 Average U.S. Assets for the Tax Year: Regulations section 1.882-5(b)

		(a) Set(s) of books that give rise to U.S. booked liabilities (see instructions)	(b) Partnership interests	(c) Set(s) of books other than those described in columns (a) and (b)	(d) Totals (add columns (a) through (c))
1	To determine the value of the corporation's U.S. assets on lines 2 through 5 below, use the adjusted basis method described in Regulations section 1.882-5(b)(2)(i).				
2	Total assets per books				
3a	Total interbranch assets				
3b	Total non-ECI assets under section 864(c)(4)(D)				
3c	Total other non-ECI assets (attach statement—see instructions)				
3d	Adjustments for amounts from partnerships and certain disregarded entities included on line 2, column (a)				
3e	Adjustments for assets that give rise to direct interest expense allocations under Regulations section 1.882-5(a)(1)(ii)				
3f	Other adjustments to average assets included on line 2 (for example, mark-to-market differences)				
4	Combine lines 3a through 3f				
5	Total value of U.S. assets for the tax year				
	Column (a): Subtract line 4 from line 2. **Column (b):** See instructions for amount to enter. **Column (c):** See instructions for amount to enter.				

Step 2 U.S.-Connected Liabilities for the Tax Year: Regulations section 1.882-5(c)

6 Specify the method used to determine the amounts in Step 2 (check one):

☐ Actual ratio under Regulations section 1.882-5(c)(2). **Complete lines 6a through 6c below.**

☐ Fixed ratio under Regulations section 1.882-5(c)(4). **Complete line 6d below.**

6a	Average worldwide liabilities	6a		
6b	Average worldwide assets	6b		
6c	Divide line 6a by line 6b	6c	%	
6d	Fixed ratio under Regulations section 1.882-5(c)(4). If the corporation is a foreign bank as defined in Regulations section 1.882-5(c)(4), enter 95% on line 6d. If the corporation is not a foreign bank or an insurance company, enter 50% on line 6d	6d	%	
6e	Enter the ratio from line 6c or 6d, as applicable			6e %
7a	U.S.-connected liabilities before Regulations section 1.884-1(e)(3) election(s). Multiply line 5, column (d) by line 6e			7a
7b	U.S. liability reduction under Regulations section 1.884-1(e)(3) election			7b
7c	**U.S.-Connected Liabilities.** Subtract line 7b from line 7a			7c

Step 3 Interest Expense Paid or Accrued on Average U.S. Booked Liabilities: Regulations section 1.882-5(d)

		(a) Set(s) of books that give rise to U.S. booked liabilities (see instructions)	(b) Partnership interests	(c) Totals (add columns (a) and (b))
8	Total average amount of U.S. booked liabilities as defined in Regulations section 1.882-5(d)(2) (see instructions)			
	Column (a): Do not include amounts that give rise to directly allocable interest under Regulations section 1.882-5(a)(1)(ii) or from partnerships includible in column (b). **Column (b):** Enter the portion of the total from Schedule P, line 11, that constitutes U.S. booked liabilities.			
9	Total interest paid or accrued during the tax year on line 8 amount			
	Column (a): Do not include amounts that give rise to directly allocable interest under Regulations section 1.882-5(a)(1)(ii) or from partnerships includible in column (b). **Column (b):** Enter the total from Schedule P, line 8.			

Step 3 (cont.) Adjusted U.S. Booked Liabilities Method: Regulations section 1.882-5(d)

If line 7c is greater than line 8, column (c), complete lines 10 through 13 below and skip lines 14a and 14b.
If line 7c is less than or equal to line 8, column (c), skip lines 10 through 13 and complete lines 14a and 14b.

10	If the corporation is a foreign bank that is making a current-year election to use a published rate as provided under Regulations section 1.882-5(d)(5)(ii)(B), check the box on this line, skip lines 10a through 10c, and enter the rate on line 10d ☐				
10a	Total interest paid or accrued during the tax year on U.S. dollar liabilities that are **not** U.S. booked liabilities included on line 8	**10a**			
10b	Average U.S. dollar denominated liabilities that are **not** U.S. booked liabilities included on line 8	**10b**			
10c	Divide line 10a by line 10b	**10c**	%		
10d	Enter the published rate, if elected under Regulations section 1.882-5(d)(5)(ii)(B)	**10d**	%		
10e	Enter the rate from line 10c or, if elected, the published rate on line 10d. See instructions if amount on line 10c is zero			**10e**	%
11	**Excess U.S.-connected liabilities.** Subtract line 8, column (c), from line 7c			**11**	
12	**Excess interest.** Multiply line 10e by line 11			**12**	
13	Add line 9, column (c), and line 12			**13**	
14a	**Scaling ratio.** Divide line 7c by line 8, column (c)			**14a**	%
14b	Multiply line 9, column (c) by line 14a. See instructions for hedging amounts			**14b**	
15	**Interest expense allocable to ECI under the adjusted U.S. booked liabilities method.** Enter the result from line 13 or line 14b here and on line 21			**15**	

Step 3 (cont.) Separate Currency Pools Method: Regulations section 1.882-5(e)

		(a) U.S. dollar denominated	(b) Home country currency. Specify:	(c) Other currency. Specify:	(d) Other currency. Specify:
16a	**U.S. assets.** Enter the corporation's U.S. assets, using the methodology in Regulations section 1.882-5(e)(1)(i). If more columns are needed, attach statement. See instructions				
16b	Check here if a less than 3% currency election was made ☐				
17a	Enter the percentage from line 6e	%	%	%	%
17b	**U.S.-connected liabilities.** Multiply line 16a by line 17a, or, if a liability reduction election is made, see instructions				
18a	Enter the total interest expense paid or accrued for the tax year with respect to the foreign corporation's worldwide liabilities denominated in that foreign currency (enter in functional currency)				
18b	Enter the corporation's average worldwide liabilities (whether interest bearing or not) denominated in that foreign currency (enter in functional currency)				
18c	**Borrowing rate:** Divide line 18a by line 18b	%	%	%	%
19	**Interest expense allocation by separate currency pool.** Multiply line 17b by line 18c				

20	**Interest expense allocable to ECI under the separate currency pools method.** Total the amounts on line 19, columns (a) through (d), and amounts from attached statement, if any, and enter the result here and on line 21	**20**	

SUMMARY—Interest Expense Allocation and Deduction under Regulations section 1.882-5

21	Amount from line 15 or line 20, as applicable	**21**			
22	Enter the corporation's interest expense directly allocable under Regulations section 1.882-5(a)(1)(ii). (Include total from Schedule P, line 7.)	**22**			
23	**Interest expense allocable to ECI under Regulations section 1.882-5.** Add lines 21 and 22			**23**	
24a	Amount of line 23 that is permanently disallowed as a deduction under the Internal Revenue Code or under an income tax treaty (attach statement—see instructions)	**24a**	( )		
24b	Amount of line 23 that is deferred as a deduction in the current tax year by a provision of the Internal Revenue Code other than section 163(j) but may be allowed as a deduction in a subsequent tax year (attach statement—see instructions)	**24b**	( )		
24c	Amount of line 23 that is disallowed business interest expense under section 163(j) (attach Form 8990)	**24c**	( )		
24d	Amount of line 23 that is required to be capitalized under certain provisions of the Internal Revenue Code (attach statement—see instructions)	**24d**	( )		
24e	Amount of interest expense that was deferred in a previous year by a provision of the Internal Revenue Code other than section 163(j) and allowed as a deduction in the current tax year (attach statement—see instructions)	**24e**			
24f	Amount of business interest expense that was disallowed in a previous year under section 163(j) but allowed as a deduction in the current year	**24f**			
24g	Combine lines 24a through 24f			**24g**	
25	**Total interest expense deduction under Regulations section 1.882-5.** Combine lines 23 and 24g and enter here and on Form 1120-F, Section II, line 18. The amount entered on line 25 may not exceed the total interest expense paid or accrued by the foreign corporation			**25**	