

Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

Note: IRS will issue a revised Form 8621 for subsequent tax years.

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|--|--|
| Name of shareholder | Identifying number (see instructions) |
| Number and street | Enter your tax year: Calendar year 19 Other tax year beginning 19 and ending 19 |
| City or town, state, and ZIP code or country | |
| Check type of shareholder filing the return: <input type="checkbox"/> individual <input type="checkbox"/> corporation <input type="checkbox"/> partnership <input type="checkbox"/> S corporation <input type="checkbox"/> nongrantor trust <input type="checkbox"/> estate <input type="checkbox"/> beneficiary | |
| Name of passive foreign investment company or qualifying electing fund | Employer identification number (if any) |
| Address (Enter number, street, city or town, and country.) | Tax year of Company or Fund: Beginning 19 and ending 19 |

Part I Elections by Shareholders of Qualified Electing Fund

1 I, a shareholder in a qualified electing fund, elect to extend the time for payment of tax on my share of the undistributed earnings of the fund reported in Part II until the election is terminated. I understand that the amount of deferred tax is subject to interest computed under section 6621.

Part II Income From a Qualified Electing Fund (QEF) All shareholders must complete lines 2 and 3. Those making the line 1 election must also complete lines 5 through 7.

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|--|-----------|--|
| 2 Enter your pro rata share of the ordinary earnings of the qualified electing fund. Also, enter this amount on your income tax return as other income | 2 | |
| 3 Enter your pro rata share of the net capital gain of the qualified electing fund. This income is long-term capital gain income. Enter this amount in Part II, Schedule D (Form 1120) (corporation); Part II, Schedule D (Form 1040) (individual); Part II, Schedule D (Form 1065) (Partnership); Part II, Schedule D (Form 1120S) (S corporation); or Part II, Schedule D (Form 1041) (trust or estate). | 3 | |
| 4 Add lines 2 and 3 | 4 | |
| 5a Enter the total amount of cash and the fair market value of other property distributed to you during the tax year of the qualified electing fund | 5a | |
| b Enter the portion of line 4, to the extent not already included in line 5a, that is attributable to shares in the qualified electing fund that you disposed of, pledged, or otherwise transferred during the tax year | 5b | |
| c Add lines 5a and 5b | 5c | |
| 6 If any portion of line 4 is includible in income under section 951 or 551, you may not make the line 1 election. If no portion of line 4 is includible under section 951 or 551, and if line 4 exceeds line 5c, you may make the line 1 election with respect to the excess. Enter the excess here | 6 | |
| Computation of Amount of Tax the Time for Payment of Which Is Extended | | |
| 7a Enter the total tax for total taxable income for the tax year | 7a | |
| b Enter the total tax for the tax year determined without regard to the amount entered on line 6 | 7b | |
| c Subtract line 7b from line 7a. This is the amount of tax the time for payment of which is deferred by making the election on line 1 | 7c | |

Part III Distributions of Property in and Disposition of Stock in a Passive Foreign Investment Company

| | | |
|--|-----------|--|
| 8a Enter the total amount of distributions received during the year | 8a | |
| b Enter the gain on the dispositions of stock in the passive foreign investment company made during the year | 8b | |
| c Add lines 8a and 8b. Also include this amount on your tax return as "other income." | 8c | |

Note: For his or her first tax year beginning in 1987, a shareholder who receives an excess distribution will not be subject to the deferred tax amount as described in section 1291(c). Excess distributions received in the first tax year beginning in 1987 are allocated under section 1291 to the current tax year or pre-PFIC tax years. Amounts allocated to these years are included in gross income for the current year and are not subject to the deferred tax amount.

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | |
|-----------------|----------------------|------------|
| Signature _____ | Title (if any) _____ | Date _____ |
|-----------------|----------------------|------------|

Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice.—We ask for this information in order to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File

A direct or indirect shareholder of a passive foreign investment company or qualified electing fund who is a U.S. person must file Form 8621 (or a statement described in regulations section 1.1291-10T(d)) for each tax year in which the shareholder holds stock in a passive foreign investment company or qualified electing fund.

Shareholders of a passive foreign investment company or qualified electing fund must file a separate Form 8621 for each passive foreign investment company or qualified electing fund in which they have an interest.

Shareholders that are trusts the income of which is not taxed entirely to the grantor or other person considered the owner are to check the "nongrantor" box.

The PFIC provisions apply to U.S. persons who hold stock in a PFIC directly for their own benefit or, in certain cases, indirectly. An indirect shareholder of a PFIC must file Form 8621 to report a disposition or distribution from a PFIC even though it did not actually receive a distribution from a PFIC or only indirectly disposed of stock. A U.S. person that is a direct or indirect shareholder of a qualified electing fund (QEF) must file Form 8621 as well as currently include in income its share of the earnings of the QEF. Generally, a U.S. person is an indirect shareholder if it is the beneficial owner of the stock in a PFIC directly or indirectly held by a nominee, if it is a shareholder of a PFIC that is a shareholder of another PFIC, or if it is a U.S. person that is a 50 percent or more shareholder in a foreign corporation that is a shareholder of a PFIC.

A U.S. partnership, S corporation, or nongrantor trust that is a direct or indirect owner of a passive foreign investment company or qualified electing fund must file Form 8621. Interest holders in these entities that are U.S. persons must file Form 8621 when they are subject to section 1291 or 1293 (including the election under section 1294).

Where To File

One copy of Form 8621 must be attached to the taxpayer's income tax return. File a duplicate copy of Form 8621 with the Internal Revenue Service, P.O. Box 21086, Philadelphia, PA 19114 at the same time.

When To File

The form must be filed with the taxpayer's income tax return for the tax year in which the taxpayer holds an interest in a passive foreign investment company or a qualified electing fund.

A shareholder making the election to extend time for payment of the tax on his or her share of the earnings of the fund must file Form 8621 by the due date of his or her tax return including extensions.

Identifying Number

Individuals enter their social security number. All other entities enter their employer identification number.

Passive Foreign Investment Company

Whether a foreign corporation is a passive foreign investment company is determined either by an income test or an assets test. If 75% of a foreign corporation's gross income for the tax year is passive income (as defined in section 904(d)(2)(A) without exceptions in clause (iii)); OR if at least 50% of the average value of the corporation's assets for the tax year are attributable to assets used in the production of passive income or held for the production of passive income, the foreign corporation is a passive foreign investment company.

A qualified electing fund is a passive foreign investment company which has made an election that its shareholders who are U.S. persons will include their pro rata share of the annual earnings of the fund in their income. U.S. shareholders who own (or are treated as owning) stock of a qualified electing fund must include amounts in gross income in the tax year in which the tax year of the qualified electing fund ends.

Tax Consequences of Being a Shareholder of a Passive Foreign Investment Company

Shareholders of a passive foreign investment company include amounts in gross income when they receive distribution. When these shareholders receive an "excess distribution" (as defined in section 1291(b)) or dispose of stock, portions of the excess distribution are treated differently. The portions of the excess distribution that are attributable to the current year and pre-PFIC years are taxed as ordinary income. The portion of the excess distribution that is attributable to the period that the foreign corporation was a passive foreign investment company is subject to the deferred tax amount.

Tax Consequences of Being a Shareholder of a Qualified Electing Fund

A shareholder in a qualified electing fund is subject to the yearly inclusion of income of the earnings of the fund, and the election to defer payment of tax which incurs an interest charge.

Instructions for Part I

Line 1.—A shareholder (including an interest holder of a pass-through entity, such as a partnership or S corporation that is a shareholder) of a qualified electing fund may elect to extend the time for payment of the tax on his or her share of the undistributed earnings of the fund for the year. If the election is made, interest will be imposed on the amount of the deferred tax.

The election cannot be made for a tax year in which any portion of the shareholder's pro rata share of the fund's earnings is tax under section 551 or section 951.

The election also cannot be made with respect to any earnings distributed or deemed distributed to the shareholder. See section 1294 and related regulations.

To make this election, check the box on line 1 and complete Part II.

Part II Income From a Qualified Electing Fund

Lines 2 and 3.—The information on lines 2 and 3 is information submitted to you by the qualified electing fund. Attach a copy of this information to Form 8621.

Computing Your Total Tax If You Make the Election on Line 1

Enter in line 7a your total tax (line 10, Schedule J, Form 1120 or line 53, Form 1040) for your total taxable income (including your share of undistributed earnings of the QEF) for the tax year.

Calculate your total tax as if your total taxable income did not include your share of the undistributed earnings of the QEF (the excess of line 4 over line 5c). If the amount of the distributed earnings (line 5c) is less than line 4, for purposes of the calculation, reduce the amounts included in gross income and capital gain net income proportionately. Enter the total tax, as recomputed, from line 10, Schedule J, Form 1120 (corporations) or line 53, Form 1040 (individuals) on line 7b.

Subtract line 7b from line 7a; the difference is the amount of your total tax that is attributable to the undistributed earnings of the QEF. The time for payment of this tax is extended by making the line 1 election. See section 1294 and the regulations thereunder.

Because the line 1 election only extends the time for payment of the tax on the undistributed earnings of the QEF, the amount entered on line 7c must be "backed out" of your return. If you are a corporation making the Part I election, write "SECTION 1294" and the amount of tax entered on line 7c to the left of line 10, Schedule J, Form 1120. Subtract the amount in brackets from the total of lines 6 through 9b and enter the result on line 10 and complete the rest of the form. If you are an individual, write "SECTION 1294" and the amount of tax entered on line 7c to the left of line 53 and subtract the amount in brackets from the total of lines 47 through 52, enter the result on line 53, and complete the rest of the form.

Grantor trusts making the line 1 election should complete Form 1041 as follows. Include their pro rata share of the earnings of the (QEF) in gross income. Complete the remainder of Form 1041 (up to line 29, page 1). Enter the line 7c amount to the left of line 29, and label the amount "Section 1294." Subtract the section 1294 amount from the total of lines 26 through 28, and enter the net amount on line 29.

When the QEF makes a distribution, or you directly or indirectly transfer, pledge, or otherwise dispose of your stock, the amount on line 7c will be due, in whole or part, subject to interest under section 6601. See section 1294 and the regulations thereunder for the events that will terminate the line 1 election.