
SELECTED US TAX DEVELOPMENTS

Co-Editors: Peter A. Glicklich* and Michael J. Miller**

UPDATE ON US CORPORATE INVERSIONS

*Candice Turner****

The author describes some of the history and recent developments affecting US corporate inversions, transactions in which US corporations are acquired by foreign corporations for shares. She explores in particular Notice 2014-52, which will stop “cash-box” inversions and slow others, and which will ring-fence the historical earnings of an inverted corporation’s existing controlled foreign corporations (CFCs) and will double-tax the structures commonly used to decontrol a former CFC. Surprisingly, the notice did not grandfather pending transactions, but some of the new rules may stretch the government’s regulatory authority too far.

KEYWORDS: INTERNATIONAL TAXATION ■ CORPORATE REORGANIZATIONS ■ CROSS-BORDER ■ TAX REGULATIONS ■ CONTROLLED FOREIGN CORPORATION

* Of Davies Ward Phillips & Vineberg LLP, New York.

** Of Roberts & Holland LLP, New York and Washington, DC.

*** Of Davies Ward Phillips & Vineberg LLP, New York.