
INTERNATIONAL TAX PLANNING

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GROUP TAXATION AND FOREIGN AFFILIATES: SELECTED FAPI AND SURPLUS IMPLICATIONS

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In this article, the authors discuss some of the potential foreign accrual property income and surplus issues that can arise in respect of foreign affiliates that file on a group or joint basis for foreign tax purposes. The existing Canadian tax rules are not written to cover all possible forms of group or joint taxation, and in some cases the Canada Customs and Revenue Agency has taken a narrow interpretation of the current rules in applying them to particular situations.

KEYWORDS: FAPI ■ FOREIGN AFFILIATES ■ GERMANY ■ GROUP TAXATION ■ SURPLUS ■ SWEDEN

* Of PricewaterhouseCoopers LLP, Toronto. The authors gratefully acknowledge the valuable assistance of Adam Freiheit, Derek Kroft, and Maria Lopes of PricewaterhouseCoopers LLP, Toronto, in the preparation of this article.