
INTERNATIONAL TAX PLANNING

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FOREIGN AFFILIATES AND THE NEW FOREIGN INVESTMENT ENTITY RULES

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The new foreign investment entity rules are intended to be effective on January 1, 2003 and could have a significant effect on Canadian individual and corporate taxpayers that own offshore investments. In this article, the authors provide an overview of the new rules, with particular emphasis on how the new rules interact with the foreign affiliate and foreign accrual property income regime and the implications for taxpayers that own an interest in foreign affiliates.

KEYWORDS: FAPI ■ FOREIGN AFFILIATES ■ FOREIGN INVESTMENT ■ OFFSHORE

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