



Building a better
working world

Automated PFIC Mark-to-Market (MTM) Service

Streamline preparation of MTM calculations
in a timely and efficient way

Benefits of the PFIC MTM Service

- ▶ **Cost-effective methodology** streamlines the process of obtaining book/tax adjustments and tax return disclosures (Form 8621 and attachments) in an efficient and timely manner
- ▶ **Significant tax savings** compared to preparing MTM calculations manually in-house
- ▶ **Efficient monitoring** to quantify impact of PFIC holdings at a given time for income projections and distribution planning

Overview

Passive foreign investment company (PFIC) mark-to-market strategies are increasingly popular as market volatility and the need for greater transparency into operating performance intensifies.

Statutory guidance expressly allows mutual funds to mark all of their PFIC securities to market, whether held by the fund directly or indirectly. "Late found" PFIC rules apply when the MTM election is made subsequent to the initial year of holding the PFIC stock.

PFIC MTM Service

Ernst & Young LLP's automated PFIC MTM service provides a fund with PFIC MTM

book/tax adjustments on October 31 and at the end of the fund's fiscal year. In addition, the tool generates completed Form 8621s and respective attachments to file with the fund's tax return.

With the tool's robust capabilities, you can quantify the fund's PFIC MTM exposure at various times during the year to help monitor the income volatility of PFIC.

Our PFIC MTM team has deep experience in preparing and reviewing MTM calculations, including incorporating the impact of corporate actions and changes in PFIC status on the calculations.

Our team

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Summary MTM schedule

Fund name:	ABC FUND			
Report start:	4/1/2016	4/1/2016	11/1/2016	4/1/2016
Report end:	3/31/2017	10/31/2016	3/31/2017	3/31/2017

PFIC MTM book/tax adjustments

Temporary adjustments to ordinary income

Current period PFIC MTM adjustment	12,328,439.82	15,564,978.34	27,893,418.16
Reversal of prior PFIC MTM for sales	(1,561,147.84)	0.00	(1,561,147.84)
MTM not reversed due to RIK — reclassified to perm adj	0.00	0.00	0.00
Total temporary book/tax adjustment to ordinary income	10,767,291.98	15,564,978.34	26,332,270.32

Form **8621**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

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

► Go to www.irs.gov/Form8621 for instructions and the latest information.

OMB No. 1545-1002

Attachment
Sequence No. **69**

Name of shareholder ABC Fund	Identifying number (see instructions)
Number, street, and room or suite no. If a P.O. box, see instructions. 123 Street	Shareholder tax year: calendar year 20 _____ or other tax year beginning _____, 20 _____ and ending _____, 20 _____.
City or town, state, and ZIP code or country Los Angeles, CA 90023	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	

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Ask us about our other services to assist asset managers:

- ▶ Automated PFIC Mark-to-Market Service
- ▶ Corporate Actions Tax Analyzer (CATA)
- ▶ Foreign Tax Credit (FTC) Study
- ▶ Global Withholding Health Check
- ▶ Global Withholding Tax Reporter (GWTR)
- ▶ Passive Foreign Investment Company (PFIC) Analyzer
- ▶ Per Se Analyzer
- ▶ Qualified Foreign Corporation (QFC) Analyzer
- ▶ Rapid Reclaim Analyzer (RRA)
- ▶ Rapid Security Analyzer (RSA)