



## **IRS issues national security modification to country-by-country reporting rules**

### **Global Transfer Pricing Alert 2018-007**

The Internal Revenue Service on 30 March issued Notice 2018-31, which states that the IRS and Treasury intend to amend Treas. Reg. §1.6038-4 to incorporate guidance to US multinational enterprise (MNE) groups that are specified national security contractors, so that those contractors may file their country-by-country (CbC) reports in the modified manner described in the guidance.

The term “specified national security contractor” is defined as a US MNE group 50 percent of whose annual revenue, as determined in accordance with US generally accepted accounting principles, in the preceding reporting period is attributable to contracts with the Department of Defense or other US government intelligence or security agencies.

Based on consultations with the Department of Defense subsequent to the promulgation of the final CbC regulations, the Treasury Department and the IRS have determined that CbC reports do require modifications for information related to national security.

To ensure that originally filed CbC reports are not automatically exchanged, specified national security contractors that are filing an amended Form 8975 and Schedules A (Form 8975) to supersede an already filed Form 8975 and Schedules A (Form 8975) should do so by April 20, 2018, if filing an amended federal income tax return on paper, or by May 25, 2018, if filing electronically.

The [notice](#) will apply to CbC reports and amended CbC reports filed after March 30, 2018.

[Back to top](#)

## Contacts

**Joseph Tobin (Washington DC)**  
[jtobin@deloitte.com](mailto:jtobin@deloitte.com)

**Dave Varley (Washington DC)**  
[dvarley@deloitte.com](mailto:dvarley@deloitte.com)

**Jamie Hawes (Washington DC)**  
[jhawes@deloitte.com](mailto:jhawes@deloitte.com)

[Back to top](#)

## Useful links

### Resources

- [2016 Global Transfer Pricing Country Guide](#)
- [Arm's length standard](#)
- [Transfer pricing alerts](#)

### Get Connected

- [Deloitte tax@hand](#)
- [Join Dbriefs](#)
- [Follow @Deloitte Tax](#)
- [www.deloitte.com/tax](#)

[Back to top](#)



[Get in touch](#)



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide

services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Touche Tohmatsu Limited.

30 Rockefeller Plaza  
New York, NY 10112-0015  
United States



Official Professional Services Sponsor

Professional Services means audit, tax, consulting, and advisory.

Copyright © 2016 Deloitte Development LLC. All rights reserved.  
36 USC 220506

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.