



Tax Analysis and Information Reporting for Debt Investments (TARDI)



Thousands — the number of debt instruments often contained in debt portfolios, including:

- Performing, sub-performing, and nonperforming mortgage loans
- Commercial and consumer loans
- Asset and mortgage-backed securities
- Corporate bonds
- Municipal bonds
- Foreign currency-denominated debt
- Bank and syndicated debt

Does your organization have the professionals and resources to effectively manage the tax compliance requirements associated with these debt investments?



Three common tax compliance challenges associated with debt investments

- 1 Utilizing technology to manage the complexities of tax accounting for debt investments
- 2 Having the subject matter experience to make the appropriate tax decisions
- 3 The ability to compute tax-related items, including calculations for:
 - Market discount
 - Interest income (including support for accrual/non-accrual)
 - Cost basis
 - Loan modifications
 - Gain/loss on sales/exchanges (including loan modifications)
 - Original issue discount (OID)
 - Premium
 - Bad debt expense
 - IRC Section 1277 interest expense deferral
 - IRC Section 988 forex gain/loss

Does your organization have the technology and tax-technical knowledge required to adequately address the tax considerations relating to complex debt investments?



Deloitte can help — Technology-enabled tax compliance, planning, and reporting

Our TARDI services support:

- Data management
- Day 1 and Day 2 considerations
- Ongoing tax analysis
- Tax planning
- Tax compliance
- Tax reporting

Are you still relying on spreadsheets or similar applications? They are often insufficient to manage the volume, complexity, and compliance requirements associated with debt investments, and shortcuts can result in errors and inefficiencies. Deloitte's TARDI tax services can help you address these and other issues associated with debt investments.



You can benefit from Deloitte's **TARDI** tax services if you are a:

- Private equity fund
- Hedge fund
- Insurance company
- Loan servicer
- Fund administrator
- REIT
- REMIC
- Bank

Deloitte's TARDI tax services use technology specifically designed to address the tax information needs and circumstances of owners and servicers of debt.



>1 million — the number of debt instruments we analyze monthly with our TARDI technology, including:

- Receiving data directly from clients' financial systems
- Organizing and processing vast amounts of loan data
- Receiving data from third-party data providers
- Performing complex calculations and developing a variety of standard or customized reports
- Receiving data from Deloitte's LDC Suite financial accounting technology

You can harness these capabilities, too, with Deloitte's TARDI tax services.



Deloitte's tax resources cover the spectrum of debt investor needs

- Tax consultation on entry, holding, and exit of both federally assisted and private investments
- Tax consultation on securitization, re-securitization, and liquidation alternatives
- Tax accounting method consulting to help reduce tax costs
- Investment tax accounting assistance for interest, market discount, loan modification, bad debts, and similar components of taxable income
- Customized tax information reporting and return preparation for associated investment vehicles

Our dedicated national TARDI practice has served the credit community for more than six years, helping reduce taxes and manage compliance efforts. With a deep understanding of tax-technical and transaction-related issues, supported by advanced database technology, our tax specialists offer tax assistance across the life cycle of debt investments.

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