

2012

Schedule of Included Controlled Foreign Corporations (CFC)

2416

Attach to Form 100W. Attach additional sheets if necessary.

Corporation name	California corporation number
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	(a) Corporation name	(b) Country of incorporation	(c) Country of primary bus. activity	(d) Principal bus. activity code	(e) Subpart F income	(f) Current year earnings and profits	(g) Percentage (e) ÷ (f)
1							
2							
3							
4							
5							
6							
7							
8							

	(h) Net income	(i) * (g) x (h)	(j) Average property everywhere	(k) (g) x (j)	(l) Rent expense x 8	(m) (g) x (l)	(n) Payroll everywhere	(o) (g) x (n)	(p) Sales everywhere	(q) (g) x (p)
1										
2										
3										
4										
5										
6										
7										
8										
9 TOTAL										

*Enter total from column (i) on Form 100W, Side 1, line 7a.

Alphabetic Listing of Countries and Codes for Form FTB 2416

Country	Code	Country	Code	Country	Code	Country	Code
Afghanistan	.AF	Eritrea	.ER	Madagascar	.MA	South Africa	.SF
Akrotiri	.AX	Estonia	.EN	Malawi	.MI	South Georgia and the South	
Albania	.AL	Ethiopia	.ET	Malaysia	.MY	Sandwich Islands	.SX
Algeria	.AG	Europe Island Territory	.EU	Maldives	.MV	Spain	.SP
American Samoa	.AQ	Falkland Islands (Islas Malvinas)	.FK	Mali	.ML	Spratly Islands	.PG
Andorra	.AN	Faroe Islands	.FO	Malta	.MT	Sri Lanka	.CE
Angola	.AO	Fiji	.FJ	Marshall Islands	.RM	Sudan	.SU
Anguilla	.AV	Finland	.FI	Martinique	.MB	Suriname	.NS
Antarctica	.AY	France	.FR	Mauritania	.MR	Svalbard (Spitsbergen)	.SV
Antigua and Barbuda	.AC	French Guinea	.FG	Mauritius	.MP	Swaziland	.WZ
Argentina	.AR	French Polynesia (Tahiti)	.FP	Mayotte	.MF	Sweden	.SW
Armenia	.AM	French Southern and Antarctic		Mexico	.MX	Switzerland	.SZ
Aruba	.AA	Lands	.FS	Micronesia, Federated States of	.FM	Syria	.SY
Ashmore and Cartier Islands	.AT	Gabon	.GB	Midway Islands	.MQ	Taiwan	.TW
Australia	.AS	Gambia, The	.GA	Moldova	.MD	Tajikistan	.TI
Austria	.AU	Georgia	.GG	Monaco	.MN	Tanzania	.TZ
Azerbaijan	.AJ	Germany	.GM	Mongolia	.MG	Thailand	.TH
Bahamas, The	.BF	Ghana	.GH	Montenegro	.MJ	Togo	.TO
Bahrain	.BA	Gibraltar	.GI	Montserrat	.MH	Tokelau	.TL
Baker Island	.FO	Greece	.GR	Morocco	.MO	Tonga	.TN
Bangladesh	.BG	Greenland	.GL	Mozambique	.MZ	Trinidad and Tobago	.TD
Barbados	.BB	Grenada	.GJ	Myanmar	.XM	Tunisia	.TS
Belarus	.BO	Guadeloupe	.GP	Namibia	.WA	Turkey	.TU
Belgium	.BE	Guam	.GQ	Nauru	.NR	Turkmenistan	.TX
Belize	.BH	Guatemala	.GT	Navassa Island	.BQ	Turks and Caicos Islands	.TK
Benin	.BN	Guernsey	.GK	Nepal	.NP	Tuvalu	.TV
Bermuda	.BD	Guinea	.GV	Netherlands	.NL	Uganda	.UG
Bhutan	.BT	Guinea-Bissau	.PU	Netherlands Antilles	.NT	Ukraine	.UP
Bolivia	.BL	Guyana	.GY	New Caledonia	.NC	United Arab Emirates	.AE
Bosnia-Herzegovina	.BK	Haiti	.HA	New Zealand	.NZ	United Kingdom (England, Wales,	
Botswana	.BC	Heard Island and McDonald Islands	.HM	Nicaragua	.NU	Scotland, Northern Ireland)	.UK
Bouvet Island	.BV	Holy See	.VT	Niger	.NG	Uruguay	.UY
Brazil	.BR	Honduras	.HO	Nigeria	.NI	Uzbekistan	.UZ
British Indian Ocean Territory	.IO	Hong Kong	.HK	Niue	.NE	Vanuatu	.NH
Brunei	.BX	Howland Island	.HQ	Norfolk Island	.NF	Venezuela	.VE
Bulgaria	.BU	Hungary	.HU	Northern Mariana Islands	.CQ	Vietnam	.VM
Burkina Faso	.UV	Iceland	.IC	Norway	.NO	Virgin Islands (British)	.VI
Burma	.BM	India	.IN	Oman	.MU	Virgin Islands (U.S.)	.VQ
Burundi	.BY	Indonesia (including Bali, Belitung,		Pakistan	.PK	Wake Island	.WQ
Cambodia	.CB	Flores, Java, Moluccas, Sumatra,		Palau	.PS	Wales	.XW
Cameroon	.CM	Timor, etc.)	.ID	Palmyra Atoll	.LQ	Wallis and Futuna	.WF
Canada	.CA	Iran	.IR	Panama	.PM	West Bank	.WE
Cape Verde	.CV	Iraq	.IZ	Papua New Guinea	.PP	Western Sahara	.WI
Cayman Islands	.CJ	Ireland	.EI	Paracel Islands	.PF	Western Samoa	.WS
Central African Republic	.CT	Isle of Man	.IM	Paraguay	.PA	Yemen (Aden)	.YM
Chad	.CD	Israel	.IS	Peru	.PE	Zaire (Democratic Republic of	
Chile	.CI	Italy	.IT	Philippines	.RP	Congo)	.CG
China	.CH	Jamaica	.JM	Pitcairn Island	.PC	Zambia	.ZA
Christmas Island	.KT	Jan Mayen	.JN	Poland	.PL	Zimbabwe	.ZI
Clipperton Island	.IP	Japan	.JA	Portugal	.PO	Other Country	.OC
Cocos (Keeling) Islands	.CK	Jarvis Island	.DQ	Puerto Rico	.RQ	Unknown Country	.UC
Colombia	.CO	Jersey	.JE	Qatar (Katar)	.QA		
Comoros	.CN	Johnston Atoll	.JQ	Reunion	.RE		
Congo (Brazzaville)	.CF	Jordan	.JO	Romania	.RO		
Congo (Kinshasa)	.CG	Kazakhstan	.KZ	Russia	.RS		
Cook Islands	.CW	Kenya	.KE	Rwanda	.RW		
Coral Sea Islands Territory	.CR	Kingman Reef	.KQ	St. Barthelemy	.TB		
Costa Rica	.CS	Kiribati (Gilbert Islands)	.KR	St. Helena	.SH		
Cote D'Ivoire (Ivory Coast)	.IV	Korea, Democratic People's		St. Kitts & Nevis	.SC		
Croatia	.HR	Republic of (North)	.KN	St. Lucia Island	.ST		
Cuba	.CU	Korea, Republic of (South)	.KS	St. Martin	.RN		
Cyprus	.CY	Kosovo	.KV	St. Pierre and Miquelon	.SB		
Czech Republic	.EZ	Kuwait	.KU	St. Vincent and the Grenadines	.VC		
Denmark	.DA	Kyrgyzstan	.KG	San Marino	.SM		
Dhekelia	.DX	Laos	.LA	Sao Tome and Principe	.TP		
Djibouti	.DJ	Latvia	.LG	Saudi Arabia	.SA		
Dominica	.DO	Lebanon	.LE	Senegal	.SG		
Dominican Republic	.DR	Lesotho	.LT	Serbia	.RB		
East Timor	.TT	Liberia	.LI	Seychelles	.SE		
Ecuador	.EC	Libya	.LY	Sierra Leone	.SL		
Egypt	.EG	Liechtenstein	.LS	Singapore	.SN		
El Salvador	.ES	Lithuania	.LH	Slovak Republic (Slovakia)	.LO		
England	.XE	Luxembourg	.LU	Slovenia	.SI		
Equatorial Guinea	.EK	Macau	.MC	Solomon Islands	.BP		
		Macedonia	.MK	Somalia	.SO		

Instructions for Form FTB 2416

Schedule of Included Controlled Foreign Corporations (CFC)

General Information

A Purpose

Revenue and Taxation Code (R&TC) Section 25110(a)(2)(A)(ii) provides that the income and apportionment factors of any Controlled Foreign Corporation (CFC) (as defined in Internal Revenue Code [IRC] Section 957) that has Subpart F income (defined in IRC Section 952) are to be included in the combined report of a taxpayer making a water's-edge election.

Use form FTB 2416, Schedule of Included Controlled Foreign Corporations (CFC), to compute the net income and apportionment factors required to be included in the water's-edge combined report.

B Controlled Foreign Corporation

In general, a foreign corporation is a corporation that is not created or organized in the U.S. or under the laws of the U.S. or any state.

A CFC is any foreign corporation that is more than 50% owned or considered to be owned per IRC Section 958(b) by U.S. shareholders.

C Apportionment

For each CFC, the amounts included in income and the apportionment factors are determined by multiplying the total income and each component of the apportionment factors by a fraction. The numerator of the fraction is the current taxable year total Subpart F income defined in IRC Section 952 and the denominator is the current taxable year earnings and profits (E&P) as defined in IRC Section 964.

See R&TC Section 25110(a)(2) and the related regulations for more information.

Specific Instructions

Column (b) – Country of incorporation

Enter the country of incorporation in column (b). Use the list of country codes on form FTB 2416, Side 2.

Column (c) – Country of primary business activity

Enter the country in which the CFC conducts its primary trade or business in column (c). Use the list of country codes on form FTB 2416, Side 2. This country may be different from the country of incorporation.

Column (d) – Principal business activity (PBA) code

Enter the PBA code of the CFC. The PBA codes are listed on the Principal Business Activity Codes chart included in this booklet.

Column (e) – Subpart F income

In determining whether a CFC has Subpart F income, defined by IRC Section 952, for purposes of R&TC Section 25110(a)(2) and the regulations thereunder, the limitation and exclusions provided for in IRC Section 954(b) shall apply. However, IRC Section 952(c) shall not apply.

For these purposes, Subpart F income does not include income defined in IRC Sections 955 or 956.

Include both business and nonbusiness income as defined under R&TC Section 25120 for the current year.

If there is no Subpart F income, none of the income or factors of this CFC will be included in the water's-edge combined report. See *Fujitsu IT Holdings, Inc. vs. Franchise Tax Board* (2004) 120 Cal. App. 4th 459.

Column (f) – Current year earnings and profits

E&P, as defined in IRC Section 964, includes both business and nonbusiness income for the current taxable year. In most cases, the E&P can be taken from federal Form 5471, page 4, Schedule H, line 5d.

If there is no current E&P, stop. None of the income or factors of this CFC will be included in the water's-edge combined report.

Column (g) – Percentage

The percentage may not exceed 100% or be less than zero.

Column (h) – Net income

Report the total net income as reflected on the CFC's books and records, adjusted to conform to California tax law.

Column (i) – Net income included in the combined report

Enter total from column (i) on Form 100W, Side 1, line 7a.

Columns (j), (l), (n), and (p) – Apportionment factors

Determine the apportionment factors for the CFC to be included in the water's-edge combined report including total average property everywhere, rent expense everywhere, payroll everywhere, and sales everywhere based on the apportionment factor rules set forth in R&TC Sections 25129 through 25137. See California Schedule R, Apportionment and Allocation of Income, for more information.